FBIS DAILY REPORT

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REPORTAGE ON ALADI MEETING IN MONTEVIDEO

Iglesias, Sodre Comment

PY121728 Montevideo Radio Carve in Spanish 0000 GMT 12 Mar 87

[Text] Uruguayan Foreign Minister Enrique Iglesias has been elected president of the ALADI council of foreign ministers' third meeting.

The meeting, which will end tomorrow, opened in the presence of the 11 ALADI member countries. Among other issues, the programs and commitments aimed at expanding and regulating regional trade within the current round of negotiations will be discussed.

A new ALADI secretary general was also elected. This honor fell on Argentine representative Norberto Bertaina.

During his opening speech, Enrique Iglesias said:

[Begin recording, in progress] ...in which integration is no longer just a mechanism for expanding markets, for expanding economic borders of our countries, but unquestionably it is also a basic defense tool to combat the crisis currently troubling Latin America. This is the prospect, namely an integration as a response to the crisis that moved the chief executives to stage this political promotion of the organization's actions.

After 2 years of intense efforts by our ambassadors in the ALADI, and of active participation of the delegates in the various capitals, we have accomplished a number of stages which, in my opinion, are extraordinary. Their tireless work has already yielded results.

This meeting will allow us to make progress on some aspects that have not yet been completed and may allow us to state that this effort has been crowned by conclusions that could be historical for the life of this institution and could fulfill the expectations of our chief executives who called us for this purpose.

Through this optimistic reading of the work performed I, as outgoing president of the second meeting of the ALADI countries, would like to bid you a hearty welcome, invite you to work hard in these 2 days, and repeat once more that willingness to integrate our nations is a historical mandate that is beyond rhetoric and involves actions through which our nations surely will be able to perform better and take Latin America to the threshold of progress and justice, which is the common task of our governments. [end recording]

The economic and financial position adopted by Brazil will in no way change the agreements signed with Uruguay. This comment was made by Brazilian Foreign Minister Roberto Costa de Abreu Sodre, who admitted that there was a delay in issuing import permits but added that Brazil will fulfill the agreements.

When asked about the future relations between Brazil and Uruguay, Foreign Minister Abreu Sodre said:

[Begin recording] [Sodre] For more than 2 years we have been enjoying very fruitful commercial ties. These were strengthened by the talks at a presidential level between President Sanguinetti and President Sarney, and we will fulfill the commitments that were signed. The current Brazilian position will in no way change the commitments signed by our brother nations.

[Question] Nevertheless, there was a (?problem) in issuing import permits. Has the Brazilian Government taken any resolution to expedite trade?

[Sodre] There was a delay. There was no refusal. Delays are common. However, we will fulfill our commitments.

[Question] In your opinion, will the trade between Uruguay and Brazil be expedited this year?

[Sodre] Yes, of course. Our goal is to strengthen relations between the two nations. [end recording]

Foreign Debt Discussed

PY130008 Madrid EFE in Spanish 1753 GMT 12 Mar 87

[By Eduardo Coccaro]

[Text] Montevideo, 12 Mar (efe) -- Representatives of the 10 Latin American countries that make up the Consensus of Cartagena today are discussing the fall in prices for their resources caused by the "trade war" promoted by the developed countries and the impact of this situation on the Latin American foreign debt.

The meeting was held in view of the presence in Montevideo of the foreign ministers and deputy foreign ministers of these countries. It is the first meeting that the Consensus of Cartagena has held since Brazil declared its "technical moratorium."

During the informal meeting, Brazilian Foreign Minister Roberto de Abreu Sodre explained Brazil's decision on the payment of the foreign debt, while his Peruvian colleague, Allan Wagner, stated that this means that "those Latin American countries that are experiencing this problem are treading the path of economic independence."

Sodre said that he did not expect ALADI to issue a statement in this regard, but he added that he thinks Brazil has adopted a position that must be explained within the framework of ALADI, "because it is an association that represents Latin American interests."

According to international financial sources, the Consensus of Cartagena is made of 11 Latin American countries that together owe half of the $700-billion foreign debt that is owed by Third World countries.

ALADI includes: Argentina, Brazil, Mexico, Venezuela, Colombia, Bolivia, Chile, Ecuador, and Peru. [as received] The Dominican Republic is an observer.

Forty percent of the Latin American foreign debt is owed by oil-producing countries, such as Venezuela, Mexico, and Ecuador, which have experienced a fall in oil prices.

In addition, because of the fall in the international prices of their agricultural products, Argentina and Uruguay also face difficulties if they are to meet their commitments with creditor banks.

According to economic sources, 28 Latin American products have experienced a fall in their international prices; this is in addition to the problems affecting oil and agricultural products.

Uruguayan Foreign Minister Enrique Iglesias, acting ALADI council chairman, has invited his colleagues and government representatives who are participating in this ALADI trade meeting to discuss the foreign debt problem in view of Brazil's decision and the new negotiations that are being held.

Iglesias today warned the press that there will be no public comments on the issues discussed at the Consensus of Cartagena meeting and that no official communique will be issued either because of the "informal" status of this meeting.

This is because of the negotiations Brazil is conducting with its creditors. Although the Consensus of Cartagena has offered to express its support, Brazil has not officially requested a discussion on the moratorium issue.

Foreign Minister Abreu Sodre's comment that he is "not expecting any statements" on the moratorium best describes the atmosphere at the ALADI meeting.

Meanwhile in comments to EFE, Peruvian Foreign Minister Allan Wagner said that Brazil's position "is very important because it is similar to the position that has been adopted by the Peruvian Government and other Latin American countries which would rather safeguard the right to achieve development and the well-being of their people instead of the creditors' interests." Wagner added that "the Consensus of Cartagena has played a preponderant role in this by establishing the guidelines for a joint position on the foreign debt."

The Peruvian foreign minister said that on the basis of the Consensus of Cartagena and its guidelines, "we have achieved a series of advances at the international level, both with regard to the individual treatment of each of the countries involved and at international forums." Wagner stated that during today's meeting, the Consensus of Cartegena will discuss "the latest developments in the issue." He added: "We hope that the steps adopted by Brazil and those that will be adopted by other countries will help achieve a common position toward this anguishing problem."

For its part, Mexico has requested financing to achieve development. Foreign Minister Bernardo Sepulveda said that "Integration is related to financing. There is an important proposal which ties the foreign debt issue, financing, and trade as key pieces if the deveopment of Latin America is to be achieved."

Contadora Ministers Meet

PY130154 Paris AFP in Spanish 2356 GMT 12 Mar 87

[Text] Montevideo, 12 Mar (AFP) -- The foreign ministers of the Contadora and the Contadora Support Groups today held two informal work meetings, which were characterized by moderate optimism, to exchange information about developments and prospects in the Central American conflict.

These meetings were held simultaneously with the ALADI meetings, which ended today.

According to what has been announced by spokesmen of the Contadora Group (made up of Mexico, Colombia, Panama, and Venezuela) and of the Contadora Support Group (made up of Argentina, Brazil, Peru, and Uruguay), the foreign ministers will issue a statement on 13 March. The subject of the statement is not known.

At the end of today's meeting, Mexican Foreign Minister Bernardo Sepulveda said that after 4 years of work, the Contadora process still has a (?rallying) force. Sepulveda also said that we are now experiencing a particularly favorable period to achieve a political commitment that will be able to strengthen peace and security in Central America. According to Sepulveda, all the parties that are either directly or indirectly involved in the regional conflict should make a political contribution to achieve a negotiated peace.

However, Sepulveda's optimism and that of other ministers contrasted with the opinion of Colombian Foreign Minister Julio Londono. Londono said that Central America is no better off today than it was a year ago when pacifist groups submitted a proposal to resolve the crisis to the Central American governments. According to Londono, unfortunately the governments that are either involved or have interests in the region have not shown the political will to solve the conflict.

Ministers Favor Arias Plan

PY130251 Madrid EFE in Spanish 0152 GMT 13 Mar 87

[By Alberto Pepe Leira]

[Text] Montevideo, 13 Mar (EFE) -- The Contadora and Contadora Support Groups decided in Montevideo tonight to champion the Costa Rican proposal for peace in Central America, according to what sources privy to the meeting held at the Uruguayan Foreign Ministry have told EFE.

After 30 minutes of discussions, the foreign ministers and deputy foreign ministers of the "Group of Eight" also decided to lend their support to the forthcoming meeting of presidents in Esquipulas (Guatemala), as a basic step toward "overcoming the lack of dialogue in Central America."

The foreign ministers of Mexico, Bernardo Sepulvedo; Colombia, Julio Londono; and Venezuelan Deputy Foreign Minister German Nava Carrillo, representing the Contadora Group; and Uruguayan Foreign Minister Enrique Iglesias; Peruvian Foreign Minister Allan Wagner; Argentine Foreign Minister Dante Caputo; and Brazilian Foreign Minister Abreu Sodre, representing the Contadora Support Group, attended the meeting.

The foreign minister of Panama, the fourth member of the Contadora Group, who had asked to be excused, was informed and consulted by telephone, according to Argentine Foreign Minister Caputo.

Uruguayan Foreign Minister Enrique Iglesias said that the declaration arising from the meeting, although it was supposed to be informal, will be officially released tomorrow. He chose to say nothing about the subjects discussed at the meeting.

Argentine Foreign Minister Dante Caputo indicated that the objective of the meeting was to coordinate the peace efforts in Central America.

Mexican Foreign Minister Sepulveda, one of the advocates of the "Group of Eight" consultative mechanism, was very cautious in what he said, but he did emphasize the significance of the Esquipulas presidential "summit" scheduled for this 15 May.

The ministers of the Contadora Group also thoroughly evaluated the Central American situation.

Colombian Foreign Minister Londono indicated that "the Contadora process does not seek a leading role in the international scene, but it is willing to support and cooperate with the agreements, whatever their source, to guarantee peace in the region." Today's decision is related to the Colombian minister's statement that "Contadora only wants peace, from any source."

EFE has learned that the text of the declaration will be "very brief," that it will refer to the consolidation of democracy in Central America, and that it will convey the common will of the Latin American community "for a long-lasting peace in Central America."

Uruguayan Foreign Minister Iglesias said that the positive aspect is that "dialogue is possible." He also informed his peers about the negotiations he held in Cuba last week with President Fidel Castro, and told them that Castro expressed his support for the Contadora peace negotiations. According to the Uruguayan foreign minister, the Contadora Groups' activities are one of the issues over which there is agreement with the Cuban regime.

Iglesias pointed out that the importance of the Costa Rican proposal "is that the proposed meeting of five Central American presidents may lead to new negotiations processes and ultimately to a solution of the problem." Iglesias insisted that the "bottlenecks" that have characterized the Central American issue, such as the "interruption of the dialogue" and "the serious mistrust, are not good for any peace negotiations."

According to the members of the Contadora and Contadora Support Groups, "there is hope" in the Esquipulas meeting, and it is hoped that viable solutions will result from this meeting, so that as Iglesias said, "other meetings like the one in Esquipulas" may take place.

Chile's Del Valle on Talks

PY130242 Santiago Radio Chilena in Spanish 2200 GMT 12 Mar 87

[Text] Foreign Minister Jaime del Valle said during the ALADI meeting that Chile is attending the meeting in Uruguay with the firm conviction that it will respect the commitments made there in order to help the process of Latin American integration move forward and to achieve a quicker and less painful way out of the economic crisis affecting our peoples. Del Valle said that the agreements reached should receive the political support of the governments to stop protectionism and to try to achieve the liberalization of intraregional trade. He added that it should be recognized that Chile has remained firm in its policies of opening up to foreign trade without any further restrictions than low and even tariff rates complemented with temporary modifications to compensate for the distortions created by unfair trading practices.

Del Valle also spoke on the economic aspects linked to imports and exports. He said that imports have increased considerably. He added that the nontariff restrictions imposed on the ALADI members should be gradually abolished. He indicated that if new restrictions are imposed on the region without eliminating the existing ones, no progress will be made. He said that all ALADI members should contribute to liberalization.

HUMAN RIGHTS TRIALS OF MILITARY CONTINUE

PY130028 Buenos Aires BUENOS AIRES HERALD in English 12 Mar 87 p 11

[Text] (NA-DYN) -- Former Fifth Army Corps Deputy Commander Retired General Acdel Vilas yesterday presented copies of the unconditional orders the Corps received from the then military junta and Interior Minister Albano Harguindeguy on how to proceed in the repression of subversion, during his twelve-hour testimony before the Bahai Blanca Federal Appeals Court.

Vilas thus became the first high-ranking military officer to volunteer detailed information on the war against subversion launched by the military, for which he asked to be relieved of his obligation to "military secrecy."

The questioning of the former general, who is charged with 77 cases of crimes against humanity, will continue today. A doctor was present throughout the questioning yesterday at the request of the defense counsel.

The Bahia Blanca Court will tomorrow hear the testimony of Retired General Abel Catuzzi, accused of 33 cases of human rights crimes.

The Federal Appeals Court, in turn, will have to rule on the question of competence presented by the Armed Forces supreme Council in the case of Retired General Jorge Olivera Rovere, who is accused of murder on five counts.

The prosecution in the case has rejected the appeal on the grounds that the military court "has lost its opportunity" to try the case.

The Court yesterday questioned Vice-Admiral Julio Torti, who was released along with other officers after their first questioning two weeks ago.

The Mendoza Federal Appeals Court, meanwhile, yesterday indefinitely suspended the summonses of retired Generals Jorge Maradona and Luciano Benjamin Menendez, scheduled for yesterday and next Wednesday, respectively, due to a question of competence raised by the Armed Forces Supreme Council.

The Court will reportedly reject the Council's request, according to court sources.

Menendez, however, will testify next Tuesday before the Cordoba Federal Appeals Court, on rights abuses at the Third Army Corps. They are reportedly in Cordoba already.

Retired General Juan Batista Sasiain, former Federal Police chief during the military government and who is to testify tomorrow in Cordoba, said he was surprised by the trials because "I still remember the Cordoba people subdued and scared and then cheering the Armed Forces in the streets in gratitude for the peace they brought them, for having annihilated the enemy."

This enemy "after four years has shown it is not only still active through nonmilitary means but has given itself the luxury of selecting those who will be tried," said the former general.

Sasiain claimed to know nothing of the human rights violations for which former detainee Fermin Rivera holds him responsible. He also claimed that it is not individual officers who will be facing the courts but the military institution itself

Human rights entities are planning to stage a demonstration around the dates of Sasiain's and Menendez' summonses to protest the suspension of the questioning of several officers due to the Supreme Council's intervention.

Such was the case of Army Captains Gustavo Adolfo Alsina and Enrique Mones Ruiz, whose summonses have been indefinitely suspended by the Federal Appeals Court.

The Centre of Naval Officers yesterday pledged to help colleagues undergoing trial by holding demonstrations in their support and raising funds for their legal defence.

Finally, the Army officers who last Tuesday held a mass in solidarity with Alsina and Mones Ruiz said yesterday that the man who at the end of the ceremony screamed: "Down with the Radical synagogue" was not a military officer.

CNEA ANNOUNCES PLANS FOR FOURTH NUCLEAR PLANT

PY120220 Buenos Aires BUENOS AIRES HERALD in English 11 Mar 87 p 11

[Text] (NA) -- Alberto Costantini, the president of the National Atomic Energy Commission (CNEA), yesterday confirmed that the government favoured the Entre Rios riverside town of Hernandarias for Argentina's fourth nuclear power plant, which will be called Argos.

ENACE [Argentine Nuclear Enterprise for Electrical Power Plants], 75 percent of whose shares are held by the CNEA and 25 percent by the Siemens-controlled Kraftwerk-Union, yesterday submitted their draft plans for the heavy-water plant to CNEA. Atomic Energy of Canada Ltd. has also shown interest, but is limited in the amount of technology it can export.

The estimated cost is a billion (thousand million) dollars and the plant will come on stream in six to eight years. Power will be supplied on the basis of natural uranium.

Costantini also referred to reports that Argentina would be helping Iran construct an enriched-uranium nuclear reactor, pointing out that Iran was at war and that it would take a political decision by the Foreign Ministry to clear such assistance.

Last week the Fabricciones Militares military-industrial complex announced it had sold 31 million dollars worth of Argentine arms to Iran. The Gulf War combatant purchased 550 million dollars worth of Argentine farm products in 1985.

FINANCING DELAYS JOINT MEXICAN PIPELINE PROJECT

FL061746 Mexico City NOTIMEX in Spanish 0255 GMT 6 Mar 87

[Excerpt] Buenos Aires, 5 Mar (NOTIMEX) -- Construction work at the Loma de la Lata-Buenos Aires gas pipeline has not begun because the Argentine Government has been unable to conclude one-third of the financing needed, it was officially reported today.

On 9 February the Argentine and Mexican Governments signed an agreement to build the project jointly to supply natural gas to Buenos Aires residents.

Mexico is participating with financing totaling $172 million. Mexican firms, including ICA [Associated Civil Engineers], Protexa, and Mexican tube producers are charged with the installation of ducts between the gas field in Loma de la Lata and the Port of Bahia Blanca, where an important petrochemical center is located.

Argentine Energy Secretary Jorge Lapena reported today that construction will begin as soon as the remaining financing of $180 million is obtained. Those funds will reportedly be disbursed by the French bank Paribas as part of the credit that Argentina receives from the Paris Club for export promotion purposes. The total investment of the gas pipeline is $472 million. [passage omitted]

ENERGY SECRETARY UNVEILS NEW OIL POLICY

PY120219 Buenos Aires BUENOS AIRES HERALD in English 11 Mar 87 p 3

[Text] Energy Secretary Jorge Lapena yesterday announced the launch of an "aggressive" oil export policy, based on the Houston plan, that will increase the sector's activity through "necessary" private investments.

Lapena gave details of the national energy plan during this year's first monthly luncheon of the Argentine Construction Chamber.

"The plan will be at the service of reality, and not reality at the service of the plan," he stressed, while admitting the oil sector was the weakest within the energy area.

In this regard, the secretary said "we have not made any significant discoveries over the past 15 years and our reserves, both genuine and potential keep declining." He explained that official policy is aimed at increasing oil exploration by public and private sectors.

Lapena also went over the international public tenders for the exploration and exploitation of 164 oil areas last year, emphasizing that 10 contracts had recently gone into effect while another 10 agreements would be signed within the next days. He added that the second tender was carried out within the framework of one of the world's major oil crisis.

As for gas, he admitted the existing gas pipelines were insufficient but said this situation would be overcome.

Lapena said that the secretariat's future steps included the extension of the Campo Duran-Buenos Aires pipeline (from 9 to 13 million cubic metres) and of the Loma de la Lata (Neuquen)-Bahia Blanca-Buenos Aires pipeline, which he described as "the most important gas project undertaken in the world in the past years."

He added that the state gas company was expanding its lines and the number of customers was increasing through the incorporation of cooperative companies and private investors.

The secretary also explained plans to be implemented in the electric energy area, which include the completion of the Bahia Blanca plant by 1989, Atucha II (1990), Yacyreta (1992), and Piedra del Aguila between 1990 and 1991.

CCT OPPOSES NEW LABOR GROUP; STRIKES PLANNED

PY120221 Buenos Aires BUENOS AIRES HERALD in English 11 Mar 87 p 11

[Text] (NA-DYN) -- Supporters of the CGT [General Confederation of Workers] Secretary-General Saul Ubaldini and Renewal Peronist unionists closed ranks yesterday against the newly formed "Group of 15" line, vowing to prevent the new grouping from jeopardizing either the unity or the authority of the CCT.

The coalition was sealed at a meeting yesterday afternoon. The leaders at the meeting undertook to extend their alliance to grass-roots level.

The meeting was attended by pro-Ubaldini unionists Miguel Candore (civil servants), Juan Manuel Palacios (bus drivers), Ruben Pereyra (water workers), and Juan Alejo Farias (construction workers) together with Renewal Peronists Roberto Digon (tobacco workers), Roberto Garcia (taxi-drivers), Victor de Gennaro (state workers), and Jose Pedraza (railwaymen). Digon and Garcia are deputies.

Meanwhile, Labour Minister Hugo Barrionuevo announced that he would continue to arbitrate in the approximately 40 cases of labour-management negotiations where no agreement has been reached even though a labour court overruled his efforts on Monday in the case of the UOM [Metal Workers' Union]. He said his ministry would probably appeal the court ruling.

Barrionuevo said he would continue to enforce government guidelines. He also downplayed the CGT's threat to denounce the government to the International Labour Organization tomorrow, saying the administration adhered strictly to all international labour conventions.

Bank clerks and plastic workers have also yet to settle. The former yesterday warned they would start a "battle plan" if the Labour Ministry arbitrated their negotiations with banks, according to union sources. Ab, (Bank Clerks Union) Secretary General Juan Jose Zanola blamed Central Bank Vice-president Marcelo Kiguel for the stalemate in negotiations.

The CGT will be meeting Justicialist Party leaders this evening to discuss its 26 points prior to a televised debate with the Radicals.

Also today 70,000 bus-drivers are to start a three-day work-to-rule called by their union UTA [Motor Transport Workers Union], the third such measure in as many weeks. The escalating work-to-rule could become both indefinite and nationwide as from next week after a UTA meeting slated for tomorrow. UTA is seeking wage hikes, shorter working hours, and the introduction of bus conductors.

With CTERA [Confederation of Education Workers of the Argentine Republic] teachers' union set to consider today a "battle plan" of escalating strikes to press for a 300-austral minimum salary, Cordoba, Catamarca and Chaco teachers stayed away from classrooms for the second day running. Mendoza teachers demanded a 372 austral minimum wage while San Luis teachers are planning progressive strikes.

Finally, television workers called a state of alert while COMRA, medical association asked doctors to "meet in defense of health" on Friday as an indirect strike measure.

PAZ, BANZER RECONCILED AFTER CABINET CRISIS

PY122242 Madrid EFE in Spanish 2024 GMT 12 Mar 87

[Text] La Paz, 12 Mar (EFE) -- Official sources today reported that President Victor Paz Estenssoro and General Hugo Banzer Suarez, the leader of the Nationalist Democratic Action [ADN] Party, are virtually reconciled now that the ministerial crisis has been resolved.

Political leaders of Paz Estenssoro's Nationalist Revolutionary Movement (MNR) had been insisting until yesterday that it was necessary to "review" the "pact for democracy" which was signed with the ADN in 1985, because Banzer's party members voted for the congressional censure of the members of the ministerial economic team. Following the censure, which prompted the collective resignation of the cabinet for 24 hours, the exchange rate of the U.S. dollar increased on the offical market because of the political instability and panic that seized various sectors at the possibility of an inflationary outbreak. Government officials have said that ADN's attitude permitting the Cabinet's censure jeopardized the government's economic policy and awakened distrust and anxiety, which pushed the price of the U.S. dollar up. Meanwhile, ADN leaders have stressed that the pact was signed to defend democracy and not to provide support for an economic team which has proved to be incapable of resolving the demands of oil-producing regions.

President Paz Estenssoro yesterday confirmed his Cabinet and stated that his ministers are capable of implementing the economic policy that has been in effect since 1985.

After the Cabinet was confirmed, ADN Executive Secretary Deputy Guillermo Fortun lamented that "there is a lack of trained people capable of taking over important positions like those of the economic team and conducting a given policy." Fortun said, however, that General Banzer has arrived in La Paz to meet with MNR leaders and to put an end to the threat of a chasm between the two parties with the highest representation in the Bolivian Congress.

PRESIDENT PAZ SENDS LETTER TO CONGRESS ON ROYALTIES

PY121449 La Paz La Red Panamericana in Spanish 1130 GMT 12 Mar 87

[Text] In a letter addressed to Chamber of Deputies President Willy Vargas, President Victor Paz Estenssoro yesterday stated that he maintains his position of recognizing a special payment to the oil-producing departments to compensate for the loss in the purchasing power of the royalties. Nevertheless, President Paz warns that he is not allowed to violate the law or surpass the nation's material possibilities. President Paz Estenssoro adds that he has given instructions to the proper ministers to jointly, with Congress and development corporations, draw up, as soon as possible, a bill setting the limits for the aforementioned compensatory payments, payment terms, and especially the source for obtaining the necessary funds. The chief executive warns that this is the only way to meet fair regional demands in a constitutional and responsible fashion. He also said that to accept the pressures of the opposition, which aims at forcing the government to adopt inappropriate measures, would only lead us back to a hyperinflationary process that has taken an overwhelming effort to overcome. This is contained in the letter President Victor Paz addressed to the president of the Chamber of Deputies in response to a resolution, censuring the Cabinet, that was approved on 9 March and was sent, along with a note, to the chief executive.

SARNEY'S 'FLU' CAUSES RUMORS, ECONOMIC STANDSTILL

PY130118 Madrid EFE in Spanish 0057 GMT 13 Mar 87

[Text] Brasilia, 12 Mar (EFE) -- A sudden indisposition today that forced President Jose Sarney to transfer all his activities from Planalto Palace, the seat of government, to his private residence in Alvorada Palace caused a series of rumors about his state of health.

The wave of rumors sprang up after midday today when it was reported that the president had canceled all his meetings and that he had summoned Finance Minister Dilson Funaro to his residence. Rumors about a new "economic package" and then about Sarney's health problems mobilized dozens of journalists who wanted to learn about the president's condition.

At 2100 GMT, Government House Spokesman Antonio Frotta Netto read a communique which states that the president "has the flu and, following doctors' orders, decided to transfer his activities to Alvorada Palace, which is the president's private residence."

The communique notes that "other than the flu, the president is well." The rumors reached such a pitch that financial market operations suffered a considerable fall, while parallel dollar market transactions were completely suspended.

SARNEY CRITICIZED FOR INTERVENING IN LABOR AFFAIRS

PY122339 Madrid EFE in Spanish 2019 GMT 12 Mar 87

[Text] Rio de Janeiro, 12 Mar (EFE) -- The decision made by President Jose Sarney's government authorizing military intervention to stop union movements in refineries and ports was harshly criticized today by official and opposition politicians, unions, and the press.

Since 10 March, Army troops have been in control of the main refineries because of threats by oil workers to call a general strike that would jeopardize the fuel supply in this country of 130 million people. Navy troops have also intervened in the ports, where port workers have been in strike for 13 days. Navy troops have unloaded food and fuel from some foreign ships.

President Jose Sarney has justified the military intervention. This is the third intervention during Sarney's democratic government, which assumed power on 15 March 1985 after 21 years of military rule. Sarney has said that the intervention is aimed at preventing a shortage of fuel and food from affecting the population.

However, warning his critics who believe that the government was not acting with decision, Sarney said that "humbleness and prudence should not be confused with indecision and weakness" and that, "when it was needed, I have taken courageous actions at the service of the country." Sarney's remarks were aimed mainly at General Octavio Medeiros, formerly chief of the National Intelligence Service (SNI) during the military regime, who said that "the government lacks firmness in the face of the maritime workers strike and the threats of the oil workers."

The military intervention in the refineries has been rejected by sectors of the Brazilian Democratic Movement Party (PMDB), which is the main government coalition party and whose leader, Ulysses Guimaraes, has said that he will ask Sarney to revoke his decision.

Igancio "Lula" da Silva, president of the Radical Workers Party (PT), has said that he is going to propose that the Constituent Assembly approve a law that will prohibit the intervention of the Armed Forces in labor conflicts and strikes.

"Lula" de Silva, one of the most influential union leaders in Brazil in the last 15 years, said that "the troops on the streets are a threat to democracy." He added that "in the last 100 days, Sarney has used more tanks and troops than the military governments that preceded him."

Ozires Silva, president of Petrobras, has justified the military intervention in the refineries. He said that the intervention was made to prevent the collapse of the fuel supply. Silva indicated that Brazil runs the risk of running out of fuel if oil production stops and also because of the Saudi decision demanding guarantee from first quality international banks to release a $40-million shipment of 2.2 million barrels.

Saudi Arabia is the second largest supplier of oil to Brazil, supplying 125,000 barrels daily. Iraq sells Brazil 215,000 barrels daily.

FOLHA DE SAO PAULO, one of the country's most important newspapers, today said in an editorial that "the military intervention of the refineries at a time when these are no strikes [as received] reinstates in Brazil the military repression and intervention exactly the way it was during the dark dictatorial periods." The paper added that the intervention marks the "continuity of military tutelage over society, the only difference being that the military chiefs now have a screen they did not have when they were directly in power."

The daily interprets the situation as a demonstration of military power in the face of the Constituent Assembly, warning it to refrain from approving laws that do not satisfy the Armed Forces and to endorse the military role in the territorial defense against an external enemy and in internal order. FOLHA DE SAO PAULO emphasizes that "up to now Brazilians have believed in civilian and constitutional government and tolerated disorder, illegal activities, and strikes, but free of senseless acts of force."

REPORTAGE ON PORT WORKERS STRIKE, REPERCUSSIONS

PY121537 Paris AFP in Spanish 1456 GMT 11 Mar 87

[Text] Rio de Janeiro, 11 Mar (AFP) -- The National Association of Shipping Line Enterprises today announced that as a result of the strike by 40,000 Brazilian port workers, to date the shipowners losses are in excess of $25 million.

Despite marine intervention at the country's main ports, port workers have not suspended the stoppage which has already affected exports and import of foodstuffs and petroleum in various Brazilian regions.

Meton Soares, the president of the National Association of Shipping Line Enterprises, has confirmed that he does not accept the demands made by the port workers. The workers are demanding a 186-percent wage increase.

Last night, the marines boarded 2 ships, hoping to unload 25,000 tons of wheat. The 70 crewmen reacted to this measure by tendering their resignation. Elsewhere, Army troops continue occupying the refineries of the state-owned Petrobras company to prevent a workers stoppage.

Oilworkers are demanding a 72.98-percent wage increase and over the next few hours will decide whether or not to strike.

Army Minister General Leonidas Pires Goncalves has stated that the occupation of the Brazilian refineries by military troops is a preventive measure against a strike that may be declared today. The troops are there to preserve property and the right of those who want to work, Pires Goncalves said. Concerning the port workers strike, the Army commander in chief considers that it is socioeconomic and not political in nature.

MARITIME WORKERS END STRIKE, OIL WORKERS 'TALK'

PY130151 Rio de Janeiro Rede Globo Television Network in Portuguese 2255 GMT 12 Mar 87

[Excerpts] The Petrobras maritime workers' strike has ended. The ships of the National Petroleum Fleet are operating normally. This information was provided by Petrobras, which announced that of its 70 tankers, 11 are undergoing maintenance and 59 are back in operation.

Petrobras also reported that the 40 foreign tankers contracted by the company are also operating normally. The National Command of the Maritime Workers on Strike tonight reported that Petrobras tankers remain stranded in the bays of Rio Grande do Norte and Rio Grande do Sul.

During a meeting held by maritime workers and employers in the Regional Labor Delegation offices in Rio de Janeiro, 330 employees of the Flumar and Global shipping companies signed an agreement by which they will receive a 120-percent salary increase, payment for the strike days, and guarantees that the strikers will not be punished. In addition, 500 maritime workers of 33 tugboat companies reached an agreement under which they will receive a 50-percent salary increase. Despite these agreements, 100 ships are still stranded in several ports under the vigilance of Navy troops.

In Brasilia, Labor Minister Almir Pazzianotto said that the government does not plan to take over control of the Maritime Workers Union to put an end to the strike. [as heard]

[Begin Pazzianotto recording] We do not have any plans to take over unions. We think that to do so would be a useless measure [because of] an outdated clause in the law currently in force, and certain defects that are very debatable. [sentence as heard] I think the important thing for the workers and businessmen is to seek an environment of understanding. [end recording]

The Army has again occupied the Petrobras refineries in Rio Grande do Sul, Bahia, Sergipe, and Amazonas, which they had exited yesterday. The decision was made by the federal government because it understood that the oil workers leadership insisted on the threats to strike in demand of salary increases. In Sao Paulo and in Rio de Janeiro, Army troops are continuing to guard refineries. [passage omitted]

Early this afternoon representatives of Petrobras and of the Oil Workers Union of Caxias met in the Regional Labor Delegation offices to talk about the resumption of negotiations. The discussion, which lasted 3 hours, did not include the salary increase or the withdrawal of Army troops. The result of the meeting was that a proposal is going to be submitted tomorrow to the leaders of the Oil Workers Union when the talks resume. [passage omitted]

In Sao Paulo, Army and Military Police troops are continuing to occupy the four refineries in the state, but work in the refineries is proceeding normally.

From the outside it looks as if everything is normal inside the refinery in Cubatao. The official report confirms that the 14 units of the refinery are operating without problems. Today the 1,300 workers worked normally. The new shift started at 1300, and the Army guards were also changed at the same time. [passage omitted]

In Paulinha, the largest refinery in the country, Army and Military Police troops are still occupying the Planalto refinery installations. Only the troops were seen today. The troops were stationed in a prohibited-access area. The refining of 240,000 barrels daily was normal.

In Sao Jose dos Campos, 800 Army troops are guarding installations. The leaders of the Oil Workers Union were not being allowed to enter the occupied area. The leaders of the Sao Paulo Oil Workers Union are going to meet tomorrow to define the proposal they are going to submit to Petrobras on 18 March.

The national secretary of the Oil Workers Command has announced in Sao Paulo that the oil workers have decided to suspend the operation watch in all the refineries of the country.

PETROBRAS CANCELS OIL IMPORTS FROM SAUDI ARABIA

PY121810 Sao Paulo Bandeirantes in Portuguese 1600 GMT 12 Mar 87

[Text] Petrobras had no other choice but to cancel oil imports from Saudi Arabia. The shipment involved totals of 125,000 barrels. Saudi Arabia demanded the guarantee of a first-class bank on the international market, however, Petrobras only had a letter of credit from Banco do Brasil. The deal, which was rejected by Saudi Arabia, totaled $40 million. Petrobras guarantees that Saudi Arabia will be replaced by other suppliers.

SARNEY 'SATISFIED' WITH REACTION TO PAYMENT SUSPENSION

PY122000 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 87 p 22

[Text] President Jose Sarney is convinced that Brazil will obtain new money, a minimum of $3 billion, at the round of the foreign-debt negotiations that should officially start by the end of this month. The new money will come mainly in the form of reduced interest rates, which are indispensable to maintain the country's economic growth.

According to what he revealed to congressmen, President Sarney is satisfied with the international reaction to his decision to suspend interest payments on the foreign debt.

It is said at Planalto Palace that, according to President Sarney's own assessment, the bankers' reaction was expected, because "no one imagined that they would applaud."

The reaction of the government officials of the developed countries was better than the president expected, because, although the Brazilian decision was censured, there were expressions of good will, such as those of the French and Italian Governments, and even those of the U.S. Government and IMF officials.

As for the reaction of the international press, President Sarney said that it was "exceptional," because it was, the way he sees it, much more favorable to the Brazilian Government than those of some large newspapers in Brazil.

In general, foreign newspapers consider the Brazilian position to be not only necessary but prudent. They, in turn, stressed the need for negotiations and appealed to both parties -- governments and bankers -- not to get deadlocked in a confrontation. It is affirmed at Planalto Palace that this appeal is fully in line with the position of the Brazilian Government.

President Sarney is convinced that not only will the country obtain new money but also a multiyear agreement on its debt in more favorable terms than those which existed before the moratorium.

ITALIAN DEPUTY MINISTER HOLDS ITAMARATY TALKS

PY111408 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Mar 87

[Text] The main industrialized nations will meet to adopt strategies to support debtor nations.

[Begin relay] A meeting of the Group of Seven, which comprises the United States, France, Italy, England, Germany, Japan, and Canada, was the main issue of the discussion held yesterday between Foreign Minister Abreu Sodre and Italian Deputy Foreign Minister Renato Ruggiero.

Ruggiero made contact with financial authorities and with the Itamaraty Secretary General, Ambassador Flexa de Lima.

Ruggiero is one of the people charged with organizing the meeting of the Group of Seven scheduled in Venice, Italy, for late June. During that meeting, the Latin American foreign debt issue, with emphasis on Brazil's decision to suspend interest payments on its foreign debt, will be discussed by the so-called Seven great powers.

According to Ruggiero, during the meeting the industrialized countries will adopt a strategy of support for the debtor countries.

[Begin Ruggiero recording, in progress] ...a way to ensure the existence of a general effort by debtor countries, governments, creditor countries, international financial institutions, and commercial banks. This is a problem which involves everyone and not just the debtor countries. [end recording]

The guidelines of the meeting of the Group of Seven scheduled for June will be defined during a preliminary meeting to be held in Italy in the next few weeks. The Italian deputy foreign minister will first visit other countries like Mexico. He left for Mexico yesterday. Ruggiero came to Brazil after visiting Argentina and Uruguay. [end relay]

FPMR TO SUSPEND ATTACKS DURING POPE'S VISIT

PY131218 Paris AFP in Spanish 1144 GMT 13 Mar 87

[Text] Santiago, 13 Mar (AFP) -- The clandestine Manuel Rodriguez Patriotic Front (FPMR), which supports armed struggle against the Chilean military regime, today announced it will suspend its sabotage actions and attacks during the days prior to and during the visit that Pope John Paul II will make to the country from 1 to 6 April. According to the government, the FPMR is the armed branch of the proscribed Chilean Communist Party.

On 7 September 1986 an FPMR commando attacked President Pinochet's vehicle and entourage and five of the president's guards died in the shootout. Its latest attack was carried out on 11 March, when the FPMR knocked out high-tension towers of the central power grid, causing a blackout in several sectors of Santiago.

In its communique, the FPMR announces the immediate temporary suspension of armed attacks, but the Front warns that the secret police (CNI) [National Intelligence Center] and other progovernment fascist gangs might try to implement provocations and carry out criminal actions in order to blame the opposition and thus cause difficulties during the pope's visit.

ELECTRIC TOWER BOMB CAUSES SANTIAGO BLACKOUTS

PY121330 Buenos Aires TELAM in Spanish 1303 GMT 12 Mar 87

[Text] [Dateline indistinct] (TELAM-ANSA) -- Following the bombing of a high-tension tower there have been partial electricity cuts in several sectors of the capital.

The police have reported that the blackout mostly affected the southern and western sectors of Santiago. The blackout occurred during a television and radio stations network hook-up on government orders during the broadcast of yesterday's ceremonies in which the law that legalizes the political parties was promulgated. It has been reported that the bomb that damaged the tower caused a 2-hour cut in the supply of electricity.

MSGR COX DISCUSSES CAMUS, TIES WITH GOVERNMENT

PY121631 Santiago Radio Chilena in Spanish 1600 CMT 11 Mar 87

[Excerpts] Msgr Francisco Jose Cox, the executive secretary of the committee that is preparing for the holy father's visit, has stated that the pope's upcoming visit to Chile must not be viewed as a war but as a point of convergence.

Msgr Cox stated that the controversy prompted by the statement made by Msgr Carlos Camus should lead the people to desire the arrival of the pointiff and not turn this event into a drama. [passage omitted] Msgr Cox referred to the statements made by Msgr Carlos Camus, statements that prompted an adverse reaction by the government.

[Begin Cox recording] Bearing in mind the holy father's visit, I would like to ask that, following all the controversy generated by the statements made by Msgr Camus, the occasion not be marred by division or disturbances but rather remain an occasion where we strongly and sensibly desire the holy father's visit. [passage omitted] [end recording]

In response to another question on the effect of the statements made by the Linares bishop on the relations between the government and the church, Msgr Cox said:

[Begin Cox recording] [in progress] ...relations between the church and the government is always a current issue that has many different levels. Sometimes there are situations that makes them more intense. Later they relax. I believe that this should not be dramatized too much. The world will not end over this, not at all. I believe that the situation has become exaggerted owing to the current pressures and I, personally, am not very impressed by them.

I believe that it is beneficial that the pope comes to a country that experiences its [word indistinct], its tensions as they are. I believe that this is the best of it. [end recording] [passage omitted]

RIGHTIST COMMANDO THREATENS MSGR CAMUS

PY111758 Paris AFP in Spanish 0132 GMT 10 Mar 87

[Excerpt] Santiago, 9 Mar (AFP) -- A rightist commando has threatened the bishop of Linares, Msgr Carlos Camus Larenas, with death. The bishop, who is a relentless critic of the Chilean military government, filed, with the court, a request for a preventive protection order.

In a brief note submitted to the Apellate Court of Talca, 260 km South of Santiago, Msgr Camus said that when he went home today, he found a pamphlet in which he was threatened with death, and so he has requested police protection.

Bishop Camus, who in a recent newspaper interview asserted that these years of dictatorship will be written in the blackest ink when the history of Chile is written, said that he found the threatening pamphlet on the floor near his desk. The pamphlet warned: Camus, if you continue with politics at the church of Linares, you will visit Saint Peter.

In his police protection request, the prelate, 60, stated that this threat is part of the systematic campaign against him launched recently. He also said that the pamphlet might be the work of the Rolando Matus Command, which was active in the country against the government of the late President Salvador Allende (1970-73). [passage omitted]

COMMUNIST PARTY LIAISON ARRESTED IN IX REGION

PY120117 Santiago EL MERCURIO in Spanish 5 Mar 87 p C5

[Text] The National Intelligence Center has arrested Lautarov Ivan Gonzalez Gonzalez, 25, and has placed him at the disposal of the Cautin Military Court. Gonzalez is charged with being the liaison between the Communist Party leaders in Santiago and those in the IX Region. Raul Bello Cabello, regional secretary minister of government, released this information at a news conference yesterday on behalf of the intendant of the IX Region.

The official communique says that Gonzalez used the political aliases "Juan" and "Emilio" and held permanent residence in San Felipe. The report adds that the Valparaiso Communist Youth Committee "designated him to work as liaison between Santiago and terrorist groups operating in the IX Region. For that purpose, the committee rented a house for him at 0253 Matte Street, Temuco, where he stored the material he received in Santiago for later dissemination."

The communique adds that at the moment of his arrest, Gonzalez was carrying a document that referred to the terrorist attacks in March, particularly against high-voltage electric towers and communications networks.

MOSCOW CARRIES COMMUNIST PARTY PROPOSAL

For Soviet media coverage of the Proposals for a Political Solution issued in February 1987 by the Political Commission of the Communist Party of Chile see pp K 1-7 of the 12 March 1987 Soviet Union DAILY REPORT.

101 ARRESTED IN WOMEN'S DAY DEMONSTRATIONS

PY112040 Santiago Domestic Service in Spanish 1600 GMT 11 Mar 87

[Text] The police have reported that last night 101 people were arrested during the violent incidents in downtown Santiago. The report says that 78 are men and 23 are women. They have been placed at the disposal of the courts after being held in the First and Third Police Precincts.

Two of those arrested will be placed at the disposal of the military court on charges of attacking carabineros. Three police officers injured during the demonstrations have been hospitalized in the Police Hospital. They are: Alberto Aranda Munoz, a member of the Police Special Services, who has a slight eye injury after being attacked with a chemical spray on Bernardo O'Higgins and Ahumada Avenues; and Second Sergeant Pedro Miguel Galdames and Corporal Fernando Saavedra, who received cuts in various parts of their bodies from rocks thrown by the demonstrators.

BUDGET CUTS, PARTIAL MORATORIUM PROPOSED

PA121833 Quito Radio in Spanish 2300 GMT 11 Mar 87

[Text] The Budget Committee of the national parliament this morning proposed an 8 percent cut in the state's budget, a moratorium on 35 billion sucres of the foreign debt, and a 10 percent cut in the budget of all public sector institutions. In addition, the committee said that it is necessary to obtain a loan of $200 million from the commercial sector, which will be devoted to rehabilitation work in the areas affected by the earthquakes.

In this regard, Enrique Delgado, president of this legislative committee, said that these measures will not affect the country's development.

[Begin Delgado recording] Regarding the state budget revenues, I feel that it is necessary to stress that we had failed to meet our obligations abroad even though the measure adopted on 11 August provided that all foreign exchange income from oil had to be devoted solely and exclusively to the payment of the foreign debt and even before the occurrence of this catastrophe. Therefore, this is a fitting time to emphasize what we have been saying all along; namely, that we cannot devote such a large percentage of the budget to servicing the foreign debt.

However, we must clearly point out that the moratorium must be declared on the part of the debt owed to the private banks that represents approximately 65 percent of the entire debt. In this sense, we propose a moratorium on 35 billion sucres for the year 1987. [end recording]

1,000 REPORTED KILLED BY QUAKE IN NAPO AREA

PA121647 Quito Radio Quito in Spanish 1300 GMT 11 Mar 87

[Excerpts] Luis Torres, president [of the municipal council of] Gonzalo Pizarro Municipality, which is one of the areas hardest hit by the catastrophe in Napo Province and in the country, has reported that the earthquake left at least 1,000 people dead and 2,000 head of cattle buried under last week's mudslides. [passage omitted]

[Begin Torres recording] [passage omitted] The cantons most affected by this disaster were the Quijos and Gonzalo Pizarro. Now then, the hunger looming over us will affect all cantons in Napo because we have been left completely isolated. [passage omitted]

The landslide caused by the (?probable) eruption of the Reventador fell on the Due River. This, in turn, shifted toward the Aguarico River, causing enormous losses. (?in other words), it destroyed everything -- the homes on its banks, all crops, and cattle. We estimate that not less than 1,000 people were killed, at least 50 [word indistinct] were trapped and buried, and some 150 homes have disappeared. [passage omitted]

Minister on Disaster Magnitude

PA121536 Quito Voz de los Andes in Spanish 1130 GMT 11 Mar 87

[Excerpt] Representatives of the diplomatic corps accredited in our country were informed about Ecuador's critical situation due to the tremors that occurred last week, particularly those in the Amazon region.

Foreign Minister Rafael Garcial Velasco and Energy and Mines Minister Javier Espinoza Teran informed the representatives of friendly countries about the magnitude of the disaster and the measures that have been taken to face the crisis. Here we have Espinoza Teran:

[Begin Espinoza Teran recording] The country did not understand the seriousness of the problem. We are not only talking about how much it will cost to fix the trans-Ecuadoran pipeline and the alternate projects that can be started quickly but, taking into account that oil represents 60 percent of the country's foreign exchange, the country will not receive approximately $370 million in the next 5 months which will be the approximate time, experts say, it will take to make the repairs. [passage omitted] [end recording] [passage omitted]

DEFENSE MINISTER PLAYS DOWN ALLEGED DISAGREEMENTS

PY122135 Madrid EFE in Spanish 1350 GMT 8 Mar 87

[Text] Montevideo, 8 Mar (EFE) -- The Uruguayan defense minister played down the speculation on disagreements within the Army when he confirmed the retirement of General Hector Sergio Alvarez.

Gen Alvarez requested retirement because he disagreed with the appointments made by the new Army commander, Lieutenant General Carlos Berois. Gen Alvarez, former intendant of Artigas Department, 650 km from Montevideo on the Brazilian border, during the military government (1973-1985), wanted to be the commander of the 3d Army Division, which is stationed in the central area of the country. He was the deputy commander of this unit when Lieutenant General Hugo Medina was the Army commander during the "de facto" regime.

The new Army commander preferred to appoint General Guillermo de Nava, formerly chief of the presidential military household, who was appointed by President Julio Maria Sanguinetti when he became president on 1 March 1985 after 12 years of military government.

Gen Alvarez, who had to retire in 3 more years, believed that he "had the right" to command an Army division. Alvarez was the director of general services at the Defense Ministry, which covers the areas of the medical corps, pensions, retirement, social affairs, and housing services.

Defense Ministry sources who confirmed Alvarez' retirement said that "voluntary retirements are a normal procedure in the Army" and played down the speculation about disagreements within the military since the retirement of Gen Hugo Medina 1 month ago. Gen Medina led the transition period and was considered the chief who supported the recovery of democracy in Uruguay.

ECONOMIC OFFICIALS LEAVE ON EUROPEAN TOUR

PY122116 Madrid EFE in Spanish 1620 GMT 8 Mar 87

[Text] Montevideo, 8 Mar (EFE) -- Economy Minister Ricardo Zerbino and Central Bank President Ricardo Pascale have left for Europe to sign two treaties on double taxation in hopes of "attracting foreign investment."

Zerbino will meet with officials of the Netherlands, Great Britain, the FRG, and the GDR. Zerbino told the press that "we are not going to negotiate new credits from international banks."

He indicated that the $45-million loan from the "cofinancing operation" of the foreign debt with the World Bank will be granted this month. He added that this is the first credit from private banks to a Latin American country since the financial crisis of this decade.

In the FRG, the minister is going to sign a treaty on reciprocal development and protection and another on double taxation, which are aimed at attracting foreign capital to Uruguay. Zerbino pointed out that the treaties will serve to assure investors about the fiscal treatment they are going to receive and will prevent double taxation.

He said that the treaties will be reciprocal and the goal is to stimulate the investment of German capital in Uruguay and to get businessmen to cooperate in the industrial development process. Zerbino and Pascale plan to meet with bankers and businessmen in the Netherlands and Great Britain.

NEW SOVIET AMBASSADOR EXPECTED TO ARRIVE SOON

PY121759 Montevideo Radio El Espectador Network in Spanish 1600 GMT 12 Mar 87

[Text] Igor Laptev, 55, will soon arrive in Montevideo to take charge of the diplomatic representation of the Soviet Union in Uruguay. TASS has reported that he has just been appointed to this position by the Gorbachev government.

Laptev, a career diplomat who has served at the USSR Foreign Ministry and Mexico since 1955, will replace Yuriy Lebedev who has retired from foreign service.

BRIEFS

LOWER HOUSE SPEAKER DESIGNATED -- Victor Cortazzo, Colorado Party deputy for the department of Durazno, on 27 February was chosen speaker of the Chamber of Deputies for 1987. [Summary] [Montevideo Radio El Espectador Network in Spanish 1600 GMT 27 Feb 87 PY]

PLANNING MINISTER CARNEVALI RESIGNS 12 MARCH

PA121440 Paris AFP in Spanish 1359 GMT 12 Mar 87

[Text] Caracas, 12 Mar (AFP) -- Venezuelan Planning Minister Leopoldo Carnevali has resigned, reporters covering the presidential palace have stated. Carnevali is a technocrat who 2 years ago replaced the first planning minister of the administration of Jaime Lusinchi, social democrat. The first planning minister and author of this government's programs was Luis Matos. Matos was the main promoter of a "social pact" or understanding among the state, businessmen, and labor unions to improve the standard of living of the common people. However, he left the government after 1 year, visibly disappointed with the official disregard for the programs.

Carnevali's resignation, which will be effective in a few days, could produce a reorganization in Lusinchi's Cabinet. This reorganization could involve the ministries of education, culture, technology, and health.

LUSINCHI ORDERS OIL TRANSFER TO ECUADOR

PA122206 Caracas Television Service in Spanish 0000 GMT 12 Mar 87

[Text] Venezuela will give economic assistance to Ecuador. The assistance will be given in oil so that the country's activities are not paralyzed due to lack of crude oil production. The action will be carried out upon specific instructions from President Jaime Lusinchi given the situation which prevails in that country following the earthquake 6 March.

The decision was approved today in a council of ministers. Energy and Mines Minister Arturo Hernandez Grisanti revealed the decision. he stated that talks began last night with Ecuadoran Deputy Energy and Mines Minister Fernando Santos and top-level directorate members of Venezuelan Petroleum, Inc. [PDVSA].

[Begin Hernandez Grisanti recording] Ecuador is not producing oil and the country's activities could be paralyzed. This is not an economic situation; this is catastrophic situation. We will lend them 5 million barrels to supply the internal market and electrical energy production. The oil will be sent over a period of 2 months.

We will probably take care of part of Ecuador's foreign market; the amount will be discussed this afternoon with Deputy Energy and Mines Minister Fernando Santos, who arrived here yesterday. We do not know the amount yet. The total amount that we eventually agree to send to Ecuador for its internal market, and to part of its clients, would be returned beginning in August according to a loan contract that will be signed between PDVSA and the Ecuadoran State Petroleum Enterprise, CEPE. These amounts would be subtracted from Ecuador's quota; this would not affect Venezuela's quota in OPEC. In other words, we would begin to produce our own quota in August and also sell the amounts of the loan that Ecuador begins to reimburse us. [end recording]

Further Report

PA130038 Caracas Television Service in Spanish 0000 GMT 12 Mar 87

[Text] Our country's assistance to Ecuador could begin this weekend with the shipment of 300,000 barrels of crude oil via Maracaibo. This exclusive news was given to "La Noticia" newscast by Ecuadoran Deputy Energy Minister Fernando Santos upon his departure from the meeting he held this morning with PDVSA [Venezuelan Petroleum, Inc] technicians.

[Begin Santos recording] We think the first shipment might be sent this weekend because the oil is absolutely necessary; some refineries close to Guayaquil are running out of crude oil. Consequently, we must step up the oil shipments so the refineries may continue to operate.

I would like to reassert our gratitude to Venezuelan industry, the minister, and the president, for the timely assistance [end recording]

The conditions of Venezuela's assistance to Ecuador will be similar to our nation's exchange with Nigeria. This makes it possible to sign an oil loan that will be paid in kind in the near future. In this case, Ecuador will replace Venezuela's oil when it renews operations through the oil pipeline that was damaged by the earthquake. The pipeline will be completely rebuilt in Canada and reinstalled in approximately 5 months.

The oil loan will let Ecuador face internal oil needs for approximately 100,000 barrels of crude oil per day. This will also allow them to maintain export levels to the Caribbean, approximately 50,000 barrels of oil per day. However, Ecuador will hold talks with Mexico to maintain its oil supplies to the ROK, another Ecuadoran client, which cannot be supplied from Venezuela.

The important thing for that brother country [Mexico], which faces one of the worst economic crises in history, is to stop the decrease in its refining capacity and try to extend its reserves as long as possible with the 5-million-barrel loan from Venezuela. This will allow the country to counter the setbacks in its economic activities and the corresponding drop in revenues until the oil operations become normal again.

Thus, when exports begin again -- and this was revealed by Deputy Mines Minister Fernando Santos in an exclusive "La Noticia" newscast -- Ecuador will ask OPEC to compensate what it has not been able to produce by increasing its production quotas with an additional 100,000 barrels per day. If OPEC approves the request, Ecuador would increase its current quota of 210,000 barrels per day to 310,000 barrels per day. Sixty percent of the Ecuadoran economy depends on oil, and this assistance from Venezuela will allow that country to fulfill its long-term export pledges, thus helping to alleviate the country's heavy economic burden caused by the earthquake late last week.

PRO-NICARAGUAN GROUP RENEWS ACTIVITIES

PA121722 Panama City Televisora Nacional in Spanish 0000 GMT 12 Mar 87

[Text] The National Committee of Solidarity With the Nicaraguan People is being reactivated under the chairmanship of Rogelio Sinan, an intellectual. The committee, which has the support of 40 student and labor organizations, seeks stronger relations of friendship between Panama and Nicaragua.

It has been reported that Commander Carlos Nunez Tellez, president of the Nicaraguan National Assembly, will arrive in Panama on Friday, on an invitation from the University of Panama.

The committee's secretary, John Jaramillo, discussed this:

[Begin Jaramillo recording] One of the immediate and long-term objectives is to inform others about the situation of the Nicaraguan people as a result of the imperialist U.S. aggression. Our work is aimed mostly at informing. Soon we will have a debate organized by the University of Panmana and the National Bar Association. This debate will take place on Friday, 13 March when Commander Carlos Nunez will hold a conference on the Nicaraguan situation. [end recording]

MEETING WITH ARIAS SCHEDULED FOR 13 MAR

PA060201 Hamburg DPA in Spanish 2238 GMT 5 Mar 87

[Text] Panama City, 5 Mar (DPA) -- Panamanian President Eric Arturo Delvalle will meet with his Costa Rican counterpart, Oscar Arias Sanchez, on 13 March, in David City, Chiriqui Province.

Delvalle will attend the opening ceremony of the David International Fair, and President Arias has accepted the Panamanian president's invitation to hold a meeting in that city. Official sources reported that "President Delvalle is very interested in learning more details about the Costa Rican peace proposal that was analyzed on 15 February by the Guatemalan, Salvadoran, Honduran, and Costa Rican presidents in San Jose."

The agenda for the meeting also includes the topics of bilateral trade, border problems, and the struggle against drug trafficking. The last time Delvalle and Arias met was on 28 September 1986 at the United Nations headquarters.

BRIEFS

DEFENSE FORCE TRANSFERS, DISCHARGES -- According to the Panamanian Defense Forces' General Order of the Day No 44 dated 9 March, Major Jaime Benites, who was chief of the 2d Military Zone, Colon, has been designated to head the less important Forest Police. Benitez has been replaced by Major Aquilino Sieiro, brother-in-law of General Manuel Antonio Noriega, Panamanian Defense Forces chief. Major Federico Olechea replaces Maj Sieiro as commander of the 2000 Battalion. It has also been reported that Captain Jorge Bernal, who belonged to the antiriot company called the "Dobbermans," has been discharged. [Summary] [Panama City EXTRA in Spanish 12 Mar 87 p 15 PA]

COSTA RICA

MADRIGAL PREPARES LETTER TO SHULTZ ON TOWER REPORT

PA121506 San Jose Radio Reloj in Spanish 1200 GMT 12 Mar 87

[Text] Foreign Minister Rodrigo Madrigal Nieto has denied that during former CIA Director William Casey's brief visit to Costa Rica in November he pressured the government to make Costa Rica available to the Nicaraguan counterrevolutionaries. Madrigal said that at that time the president could not meet with Casey, but he did not disclose why. In view of this the foreign minister and the Presidency minister met with the former CIA director at Madrigal's home, according to Madrigal's own statements.

Foreign Minister Madrigal said that very general issues were discussed at the meeting with Casey, making the meeting totally unimportant. He said that the fact that Casey's presence was kept a secret was not a Costa Rican Government decision but a security measure.

Madrigal has announced that the letter he is sending to U.S. Secretary of State George Shultz will discuss the past actions of U.S. officials in our country. The document will also refer to the parts of the Tower report where Costa Rica is mentioned and not to Costa Rica's neutrality because the subject of neutrality is very clear. The foreign minister denied that the Tower report could endanger the country's good name, and announced that the letter to Shultz will be ready next week.

'Detailed Document' Pending

PA121510 San Jose Radio Reloj in Spanish 0100 GMT 11 Mar 87

[Text] The Costa Rican position regarding the Central American regional conflict due to the presence of rebel groups and political [word indistinct] will be explained to [word indistinct]. Costa Rican Foreign Minister Rodrigo Madrigal Nieto said a document is being drafted and it will be sent to U.S. Secretary of State George Shultz. This document clearly expresses the Costa Rican position, its policy of neutrality, and the role Costa Rica plays in the regional conflict. The peacemaking efforts promoted by Costa Rica, a country not involved in conflict but affected by it, will continue, Madrigal Nieto added. Since this is a long and detailed document in which certain government policies must be clearly expressed, it will not be ready until next week. The document will be presented to Richard Menton, new U.S. charge d'affaires, who will send it to Secretary of State George Shultz.

The document is being drafted by a group of specialists and is being supervised by Foreign Minister Rodrigo Madrigal Nieto himself.

FOREIGN MINISTER DENIES U.S. PRESSURE ON CONTRAS

PA122111 San Jose LA NACION in Spanish 6 Mar 87 p 4A

[Excerpts] Foreign Minister Rodrigo Madrigal Nieto insisted yesterday that former U.S. Ambassador Lewis Arthur Tambs never pressured Costa Rica during this administration to lend its territory to supply the anti-Sandinists.

"He always acted very correctly with me and listened to the guidelines that I set in some areas," Madrigal Nieto said. He also admitted that he had disagreements with the former U.S. representative in our country.

Questioned about them, he did not give any details and only stated that the differences were mainly in the way that the Central American situation was focused "and the appraisal of some events."

He also stressed that former U.S. security adviser Oliver North never threatened Oscar Arias with the suspension of $80 million in aid if he disclosed the existence of the Potrero Grande airport in La Cruz, Guanacaste. [passage omitted]

Asked about the possibility that Costa Rica might protest to the United States over the violation of its territory, presumably because of the construction of that airport, the foreign minister said that this would not be possible because the Monge government gave the authorization because it felt it could be used in the case of a Sandinist attack on the country.

Regarding the speech by U.S. President Ronald Reagan, who admitted that the exchange of weapons for hostages with Iran was a mistake, Rodrigo Madrigal said that it was a conciliatory speech but that it did not put an end to the scandal. [passage omitted]

ARIAS CRITICIZES FINANCIAL RESTRICTIONS ON AREA

PA122113 San Jose LA NACION in Spanish 6 Mar 87 p 4 A

[Excerpt] Costa Rican President Oscar Arias Sanchez yesterday once again criticized international financial organizations. He accused them of preventing the consolidation of democracies in some Latin American countries that are emerging from dictatorial rule.

The president made these remarks at Cartago Industrial Park during the inauguration of the Second International Fair of Costa Rica (FERCORI 87). Moreover, Arias Sanchez told newsmen that he will continue living in his private home in the Rohrmoser neighborhood, west of San Jose, despite the fact that 2 nights ago unknown persons hurled an explosive device at his home. The device did not explode. He noted that the security measures he is planning to adopt include erecting an iron gate. However, this offers no guarantee that that there will not be an attack.

Oscar Arias Sanchez said that, paradoxically, restrictions are now being imposed on Latin America that have never been imposed before, and that this is happening at a time that calls for international understanding and support.

"It is painful to see that the international financial community has decided [ha puesto] to collect its debts, disregarding the unique economic and political situation that the underdeveloped nations are experiencing."

He added that this attitude, which he described as intransigent, often hampers "the consolidation of democratic regimes that have emerged in countries where dictatorships had oppressed their people."

He said that Costa Rica is not pointing to those problems as an excuse to declare a unilateral moratorium on its foreign debt, because the government is planning to meet its international commitments.

The president explained that there is need "to promote changes so the treatment we receive is fair, and so the international economic system may some day be based on cooperation and not on ties of economic and cultural dependency between the poor and wealthy nations."

Lastly, Arias Sanchez said that the Third World countries must be allowed to grow first in order to meet their international obligations. [passage omitted]

EL SALVADOR

DUARTE PROPOSES TEMPORARY STATE OF SIEGE LAW

PA120439 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Mar 87

[Text] A new draft law that will replace Law 50 has been sent, at the president's initiative, through the Justice Ministry to the National Assembly. The provisions of the new draft law are still not known, but it is different from the one presented by the Revisory Committee in that, if it is approved, it would be temporary and not permanent like the one that was originally proposed.

The defense and justice ministers were called to express their opinion to the Legislative Committee. The meeting was private, although it was revealed that [Defense Minister] General Carlos Eugenio Vides Casanova made observations regarding unspecified points of the reviewing committee's draft.

The existence of a new temporary draft law makes it possible to prolong for a few months the study of a permanent law that would be applicable to the state of emergency or state of siege.

Officials on State of Siege

PA121730 San Salvador Television Educativa in Spanish 1200 GMT 11 Mar 87

[Text] Salvadoran General Carlos Eugenio Vides Casanova, defense and public security minister, has said that the suspension of the state of siege is hampering the Armed Forces actions. For that reason, the Armed Forces have made several recommendations to the Legislative Assembly so that it may review the bills that would allow the armed institution to have a greater range of actions against the subversives.

Gen Carlos Eugenio Vides Casanova and Justice Minister Julio Alfredo Samayoa went to the Legislative Assembly to meet with members of the Committee on Laws and Constitutional Matters. They wanted to explain technical aspects regarding two bills. The Justice Ministry submitted the first bill. It includes the transitory exemption law [ley de exencion transitoria] to replace Decree No 50 which includes the state of siege law. The Revisory Committee on Salvadoran laws introduced the second bill, and it includes a definitive law [ley definitoria].

Gen Vides Casanova said that he was visiting the Legislative Assembly at the invitation of the Committee on Laws and Constitutional Affairs.

[Begin recording] [Vides, in progress] ...to listen to our views regarding some amendments to Decree No 50. The Armed Forces feel that there are some aspects that may affect us. Of course, they [the deputies] will make the appropriate decisions.

[Reporter] General Vides Casanova, regarding the exemption law to replace Decree No 50, do the Armed Forces presently feel obligated to continue fighting against subversives within the framework of the Constitution and as forcefully as you have been?

[Vides] Yes, logically, the measures adopted -- that is, the end to the state of siege, etcetera -- have hampered our struggle a little. However, we are operating well. I think we can continue this way so long as the situation does not deteriorate. I think there are too many additional problems in the country, such as the ones caused by the earthquake, the drop in coffee prices, etcetera, to feel that this is the best time to make changes in the law. As I understand it, these amendments are just and beneficial. However, this may not be the right time for them. We are recommending further study and analysis. Once all the studies introduced have been thoroughly analyzed, we should wait for the right time, when the country's situation is more favorable, to implement them. [end recording]

Moreover, Julio Alfredo Samayoa said that a legal vacuum has been created when the state of siege was abolished. He said that this situation could be corrected if these laws are approved.

[Begin Samayoa recording] Because it was believed that the law introduced by the Revisory Committee was going to be approved earlier, a vacuum was created, as Decree No 50 is no longer in effect. Since the study of the law introduced by the Revisory Committee is rather delicate, the Justice Ministry deemed it appropriate to submit a bill for a transitory law. This law could be applied in cases pending in military courts and in the future, should constitutional guarantees be suspended. This is what we were telling the committee. We told it about the need to approve the transitory law which is to be in effect for 6 months while the bill introduced by the Revisory Committee is under study. [end recording]

BLANDON DENIES INVOLVEMENT WITH DOWNED C-47

PA122226 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Mar 87

[Text] General Adolfo Blandon, chairman of the Joint Chiefs of Staff, has told newsmen that the High Command had no responsibility in the downing of a C-47 aircraft by Honduran Air Force airplanes. This event took place in the town of Cucuyagua, Copan Department, Honduras. The Mexican news agency NOTISAL has stated that the downed airplane had taken off from Ilopango Military Airport and was carrying supplies for the contras.

[Begin Blandon recording] According to the Honduran Military High Command, this airplane was coming from the south -- maybe Colombia, maybe Nicaragua -- and was used for drug trafficking. As it was flying over Honduran territory, Honduran authorities tried to identify it through radio signals from the ground, and they also tried to identify it with their Air Force airplanes. The airplane refused to identify itself and the Honduran Air Force was forced to shoot it down. According to the reports from Honduras, three people died and the bodies were charred because the airplane caught fire. It is believed that one of the dead people was a U.S. citizen. [end recording]

This would be the second incriminating incident regarding alleged Salvadoran military men who have given their support and allowed the use of Ilopango Airport for clandestine arms transfers, as was affirmed by U.S. survivor Eugene Hasenfus, who said he had taken off from the Salvadoran air base with supplies for the contras.

Gen Blandon implied the possibility of the use of the airstrip for this purpose.

[Begin Blandon recording] We could neither deny nor confirm that some materiel may have passed through Ilopango. It is a very active airport and it is possible that there has not been sufficient security to have absolute control of the air traffic at Ilopango Airport. [end recording]

DUARTE CRITICIZES U.S. IMMIGRATION LAW

PA111549 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Mar 87

[Text] President Jose Napoleon Duarte today deplored the upcoming implementation of the new immigration law in the United States. He said that thousands of Salvadorans will be deported because of that law.

Duarte said that the government has already begun efforts with the United States to study ways to help the compatriots who are illegal aliens.

Duarte said that he is analyzing, along with the foreign minister, the possibility of hiring two lawyers and social workers to operate from a Salvadoran consulate in the United States to help Salvadoran refugees and immigrants.

Asked why the government of President Reagan -- who claims to support a democratic process in El Salvador -- is promoting more poverty for the country with the new immigration law that affects many Salvadorans who will have to return to their homeland, President Duarte said that he deplores the U.S. decision.

[Begin recording] Regretfully, this is something we ... [changes thought] they approved it. We have no other choice. We cannot make decisions on that. All we can do is deplore it. There is no doubt that the U.S. Government has been helping us in a democratic process. However, there are thousands of Salvadorans who will be jobless and will return to our country, causing uncertainty. This will be very difficult. It will be very difficult for them, the people, and the government. [end recording]

Duarte added that he has asked the United States to give a special concession to the Salvadorans so that they can remain there but, he noted, no response has been received yet.

Impact of Return of Immigrants

PA121501 San Salvador Canal Doce in Spanish 0300 GMT 11 Mar 87

[Report by Isidro Emilio Martinez]

[Excerpts] Today, the board of directors of the Professional Association of Economic Sciencies [Colegio de Profesionales en Ciencias Economicas], Colproce, said that if the United States implements its immigration law the impact on El Salvador will be worse than the 10 October earthquake and the 7 years of war. They also noted that the problems are compounded by a drop in the price of coffee which now sells at $104 a quintal. Therefore, the country will not receive 700 million colones because the government expected to sell at $190 a quintal.

The Colproce, which has 324 members, has not conducted a study regarding the Salvadorans that will be deported from the United States. According to figures provided by Father (Segundo Montes), of the Central American University Research Institute, during a "Good Morning" program interview, there are 1 million Salvadorans living in the United States, and half of them are illegal aliens. They send home over $113 each month, and the country received revenues of over $1.3 million each year. Their return will cause problems even more serious than the current economic crisis, and unemployment will rise in El Salvador. [passage omitted]

The group members added that problems of delinquency and property will rise with the return of these Salvadorans. This does not mean that these persons will engage in delinquent actions, but rather, that the conditions for them will be created.

COPREFA, VENCEREMOS CITED ON INCIDENTS

PA122316 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Mar 87

[Text] According to a Coprefa news release, five people were wounded yesterday when a Red Cross vehicle approached the town of San Isidro, in northern Morazan Department. The incident took place yesterday when the Red Cross driver saw some stakes buried in the main street upon entering the town of San Isidro. While attempting to pull them out, he activated some explosive devices which injured five civilians.

Coprefa also revealed that the rebels kidnapped 11 peasants at the Gualcho Canton, Nueva Granada, Usulutan Department, and took them to an unknown destination.

The Clandestine Radio Venceremos said that the Army suffered 12 casualties in clashes with rebel forces in various parts of Usulutan Department. The casualties occurred when the rebels attacked positions of the Atonal Battalion at El Cordoncillo, Berlin municipality. The rebels also ambushed a military convoy on the coastal highway by exploding two Claymore mines as the military units were passing by.

FMLN Denies Placing Bomb

PA121925 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Mar 87

[Text] Noncombatants were seriously injured when a U.S.-made bomb went off. [Words indistinct] soldiers had placed the mine in the square in San Isidro, located south of Torola River, in Morazan Department.

As is customary, Coprefa blamed the FMLN for this criminal action. However, Coprefa's lies are apparent because that agency had said that the FMLN was unable to enter San Isidro because the Army had repelled our units.

As we have reported through Radio Venceremos, the fact is that the FMLN took over the town of San Isidro on Saturday and remained there for [passage indistinct] the FMLN allegedly entered on Saturday. Moreover, the mine would not have been activated in a heavily congested area. The mine blew up on Tuesday. In principle, the FMLN does not place mines in areas where our people pass. We put our mines in the path of the troops, and we never use them against our people.

GUATEMALA

PRESIDENT CEREZO REPORTS DESTABILIZING PLAN

PA130228 Hamburg DPA in Spanish 0149 GMT 13 Mar 87

[Text] Guatemala City, 12 Mar (DPA) -- Guatemalan President Vinicio Cerezo reported today the existence of "a plan to destabilize the government, which could affect the economy and pressure the government not to implement necessary measures."

Cerezo said that the permanent far left and far right are the two sectors interested in creating instability. "At present, however, and according to what has been observed, all seems to indicate that this is the far right's plan, because this has been the far rightist parties' normal stance. These parties have not gotten used to the idea of the people expressing their will and this will being respected. These rightist parties want to attain power illegally."

Cerezo also said there have been rumors of a coup. He added, however, that this does not stand a chance "because whoever tries it would be stupid."

A few days ago, Juan Jose Rodil, minister of the interior, reported that the latest acts of violence in the country were linked to plans to destabilize and discredit the current Guatemalan Government.

HONDURAS

FOREIGN MINISTRY REPLIES TO NICARAGUAN NOTE

PA122312 Panama City ACAN in Spanish 2244 GMT 12 Mar 87

[Text] Tegucigalpa, 12 Mar (ACAN-EFE) -- Today the Honduran Government described a Nicaraguan protest over a mortar attack on Nicaraguan villages by the Honduran Army as "groundless."

The Honduran Foreign Ministry answered that "after having thoroughly investigated the issue, it has been proven that Honduran Army troops have not participated in any harassment of Sandinist troops at an observation post in El Palito Hill, Chinandega Department."

Nicaragua strongly protested this week the attacks by Honduran soldiers to several regions in Chinandega, and that the soldiers had used 81 mm and 120 mm mortars killing three civilians and wounding several, including a Sandinist soldier.

Honduras also denied that its Armed Forces have ever fired 81 mm mortars in the area of Lomas del Malinche, 4 km southeast of Santo Tomas del Nance, also in Chinandega jurisdiction.

In a letter addressed to Foreign Minister Miguel D'Escoto, Honduran Foreign Minister Carlos Lopez Contreras said that it is very strange that the Nicaraguan Government wants to involve Honduras in actions beyond its borders.

"Honduras has tried to maintain a moderate attitude at all times regardless of constant Sandinist provocations at the border zone, and has only carried out military actions within its borders enforcing its legitimate right to defend itself in case of an aggression against our territory and population," the note adds.

The note does not indicate the date when the Honduran Army carried out actions within the territory.

The Honduran Air Force in December 1986 bombed local areas after approximately 2,500 Sandinist soldiers raided El Paraiso Department, at the Nicaraguan border, according to Honduran charges at that time.

Other lesser incidents have taken place since then, and both soldiers and civilians living in the sector have been killed.

Lopez Contreras stated today to D'Escoto that the Honduran Government "is convinced that violent procedures will not solve the internal political problems in Nicaragua, and when these extend beyond the border, the crisis affects democratic countries in Central America."

He also states that Honduras reasserts its willingness to participate with the other countries in the area in the search for a political solution to the problems which have been created throughout the area with the change of the principles of the 19 July 1979 Sandinist Revolution.

The Honduran minister concludes by stating that he trusts "persuasion will be the best instrument to consolidate peace, progress, development, and cooperation in the Central American region."

OFFICER CITED ON MILITARY MANEUVERS WITH U.S.

PA120454 Managua Domestic Service in Spanish 0300 GMT 12 Mar 87

[Text] Tegucigalpa, Honduras -- U.S. and Honduran troops are engaged in new military exercises on the Honduran northern coast.

According to Honduran Military spokesman Colonel Enrique Suarez, 750 U.S. soldiers from the 7th Light Infantry Division of Fort Ord, California, are participating in these military exercises.

Col Suarez said that two Honduran infantry units are taking part in the exercises with the purpose of assessing the readiness of those troops to react in case of an invasion in that territory.

Col Suarez did not specify when the joint military maneuvers will end.

NICARAGUA

CONTADORA ASKED TO FORM COMMISSION ON ATTACKS

PA122339 Panama City ACAN in Spanish 2257 GMT 12 Mar 87

[Text] Managua, 12 Mar (ACAN-EFE) -- Today Nicaragua asked the Contadora Group to form a commission to investigate the Honduran Army's latest attacks against this country.

The Nicaraguan Foreign Ministry has released a communique sent to the pacification group -- formed by Mexico, Panama, Venezuela, and Colombia -- reporting attacks by Honduran troops against two Nicaraguan villages where four people were killed, including three teenagers, and seven peasants were wounded.

In its note, the Sandinist government asked Contadora for the good offices commission to be formed as soon as practical to prevent "an escalation."

This week, and in only 48 hours, the Foreign Ministry sent two protest notes to Honduras. The notes dealt with 80-mm and 120-mm mortar attacks against Santo Tomas del Nance and El Chocolate on the border with Honduras.

According to the note sent to Honduras, signed by Deputy Foreign Minister Victor Hugo Tinoco, Nicaragua is afraid that these attacks from Honduran territory might become "an armed escalation that could threaten to become even bigger."

In its reply, the Honduran Government denied Nicaragua's charges.

In December 1986, Honduran aircarft bombed positions of Sandinists troops who raided El Paraiso Department to execute a surprise attack on anti-Sandinist rebels stationed in this sector, according to Managua's reports.

NEW DEBT RENEGOTIATING COMMITTEE FORMATION DENIED

PA121901 Panama City ACAN in Spanish 0132 GMT 12 Mar 87

[Text] Managua, 11 Mar (ACAN-EFE) -- Today Nicaragua stated that a report broadcast by a U.S. Government radio station to the effect that Nicaragua has created a new renegotiating committee for its foreign debt is "false and political."

Joaquin Cuadra Chamorro, president of the Nicaraguan Central Bank, today denied the "Voice of America" (VOA) report, which stated that the "new committee" will confiscate all types of Sandinist government property in the United States. [sentence as received]

The U.S. radio report stated that the new "renegotiating committee" is attributing a foreign debt of $3.7 billion to Nicaragua.

Pointing out that Nicaragua's creditor banks have not sent any official information to that effect to Sandinist authorities, Cuadra Chamorro recalled that on 10 December 1979 Nicaragua created a foreign debt renegotiating committee.

At a news conference Cuadra Chamorro admitted that the foreign debt accrued by the Managua government is $4 billion, of which $3.4 billion have been disbursed [desembolsado].

Opposition economists report that Nicaragua's total foreign debt surpasses $4 billion.

Cuadra Chamorro explained that since 1980 Nicaragua has paid $46,958,000 on the principal and $133,967,000 interest, for a total of $180,925,000, including annual service commissions and fees for the management of the charters-agreements and treaties.

According to Cuadra Chamorro, it cannot be said that a new foreign debt renegotiating committee has been formed because the committee has existed since December 1979.

Nor can it be said that the foreign banks are going to confiscate the Nicaraguan Government's properties in the United States because a debtor's properties are not confiscated but embargoed through a judicial process, Cuadra Chamorro said.

The Nicaraguan official said that Nicaragua does not possess "significant properties" in U.S. territory.

He said that the U.S. radio report is part of a "political" campaign against Nicaragua, which "does not reflect the international banks' attitude."

Nevertheless, Cuadra Chamorro said "we are not going to be too confident," we will continue to adopt "precautionary measures," which he refused to explain in order to better protect Nicaraguan interests.

The president of the Central Bank recalled that Nicaragua initiated the renegotiation of its foreign debt in January 1980 when the nation began to face problems in acquiring cash to service its foreign debt.

He pointed out that this problem is caused by the "aggressive policy of the United States, which has continued the total embargo of May 1986, thus worsening the "incredible war" against this country.

THREE NEW AMBASSADORS PRESENT CREDENTIALS

PA102253 Managua Domestic Service in Spanish 0300 GMT 10 Mar 87

[Text] (Santiago Alberto Perdomo), (Joseph Francis Retin Arandy), and (D'Esaca Wilson Abel) -- the new ambassadors extraordinary and plenipotentiary of Belize, France, and the Congo, respectively, to Nicaragua -- presented their credentials today to Nicaraguan President Commander Daniel Ortega.

On welcoming the new French ambassador, Ortega brought up Nicaragua's problems and U.S. attempts to destroy the revolution. Ortega said he hoped the work of the new French ambassador will contribute to strengthening relations of mutual respect between the two countries and achieve a peaceful and democratic solution in Central America.

FURTHER ON 10 MARCH PLANE HIJACKING

Crew, Passengers Interviewed

FL120431 Havana Television Service in Spanish 0100 GMT 12 Mar 87

[Text] As a result of the investigations of last night's frustrated hijacking attempt of Cubana de Aviacion flight 706, the Interior Ministry has established that the attempted hijacking was conducted by Juan Carlos Jimenez, an antisocial element who was killed during the attempt; his mother, Rosalina Suarez Lafita; and Arturo Suarez Ramos.

[Begin recording] [First crew member] Our initial action when we learned about the situation in the rear part of the passengers' cabin was to immediately stop the aircraft in the middle of the runway where we were located. We only had one purpose, which we have always kept, and will continue to keep in the minds of all Cubana de Aviacion pilots: to keep our planes with us and return them to our point of departure, which has always been Cuba.

[Second crew member] At the time we stopped the plane it was going nowhere. If it had happened in the air, while we were flying, the plane would have returned to the Havana airport or another airport. I do not know what we would have done, but the plane would have returned to Havana.

[Third crew member] The situation that developed with the grenade in the rear of the cabin surprised us somewhat. Well, it did not surprise us completely, because we have been pilots for some years now and we can always expect this kind of situation under the circumstances the country is going through. The enemy always finds a way to do similar things to call attention, to discredit us. Anyway, it surprised us. The event itself surprised us. The first thing we did was to stop the plane. I helped to check the door many times because they banged it hard, very violently, and could have broken the lock and thrown a grenade. I was able to check those things because I was standing. I also checked the plane's instruments. He [a hijacker] was in the rear, he was very obnoxious, using curse words, a lot of force, a lot of violence.

[Fourth crew member] The passengers' attitude was very good. They showed a revolutionary attitude. At all times they were aware of the situation, they knew what was going to happen and remained fairly calm, considering the situation, because it was a very serious situation. Two citizens armed with grenades said they were going to blow up the plane. They wanted to tell the captain we had to leave. I do not know. It was a very serious situation; it was very tense, very tense.

[Unidentified reporter, interviewing passengers] What is your opinion about this case in which some citizens attempted to hijack the plane and take it to Miami?

[Female passenger] That was ... [changes thought] They are criminals. People who do not have consciences, compassion, have no idea of anything.

[First male passenger] I tried to calm both of them to win time so the ministry's forces could take over the plane. I tried to talk to them and convince them. I was trying to prevent them from taking the pin off the grenade, to prevent them from activating the grenade.

[Second male passenger] From the time we realized that what was happening was real, when we saw the first grenade in the hand of the criminal, Juan Carlos, and the way he was behaving -- he was practically hysterical -- we realized that we were in serious danger, all the comrades, the crew, the passengers, the children -- two children were traveling in the plane and many women. Other comrades and I were convinced that we have to prevent the plane from leaving Cuba.

[Policeman in uniform] I was traveling as a passenger because I have a sick niece on the Isle of Youth and was going to visit her.

[Reporter] So it is not customary for a policeman on duty to travel on a plane.

[Policeman] No, it is not customary.

[Reporter] Were you on duty?

[Policeman] No, I was not on duty.

[Reporter] What was your attitude under the circumstances? How did you see the situation?

[Policeman] I saw the situation as bad for the passengers. Two fellows had three grenades. I remained calm where I was seated, waiting an opportunity to act. The fellow called Carlos, who apparently was the leader, was violently kicking the crew's cabin door. I could have shot him then, but there was the danger that the grenades could explode so I waited for another chance. I was confident that a comrade was going to grab him, then two comrades grabbed his hands. The one in the rear threw a grenade. I made sure that there was nobody behind the fellow and I shot him in the head.

[Third male passenger] A group of ordinary, regular kind of people were traveling in the plane. Just a while ago we had been on the waiting list or checking in our tickets. We did not know each other but at the moment this happened we turned into one man, one revolutionary, and we acted in line with the revolution.

Accomplices Arrested

FL120456 Havana Television Service in Spanish 0100 GMT 12 Mar 87

[Text] The 13 injured people in the failed hijacking attempt are being treated at the Enrique Cabrera and William Soler Hospitals. Pedro Ulloa continues to be in critical condition and the rest are in satisfactory condition.

We can report that the child, Luis Manuel Reyes, is not experiencing any complications and that his current condition is good. Our reporters have gathered information on the events.

[Reporter] How do you remember the events that took place on the attempted Cuban aircraft hijacking?

[Injured passenger Enrique Mulhet, identified by caption] There was an antisocial fellow with a grenade in hand shouting he wanted to go to New York. He said this in English. He said he was 20 years [word indistinct], that he was a fugitive, and that he had been in the United States. He used curse words. Later, the people started to get alarmed and asked him to let the children and a pregnant woman leave. He did not agree to this and said nobody could move. They talked to his mother and she immediately got a grenade out of a black purse and gave it to him.

[Injured passenger Ana Diaz Almaral, identified by caption] He then went to the front, where the pilots' cabin is, and started to kick the door. Another one who had another grenade was seated there and told him. "Go to the exit and if the door is opened or they turn off the engines, we will blow up the entire aircraft."

[Mulhet] There was a comrade who was very brave, I do not know her name. She tried to calm everyone. She behaved according to Mariana Grajales' principles, in accordance with the law. Later, she tried to talk to -- I think it was with La Torre -- and she kept him there for a period of time, she observed him. Shortly afterwards the engine turned off the plane [corrects himself] the plane engines were turned off and an antisocial fellow, who was in the rear, threw a grenade. It exploded next to me. I got out, jumped from above, and when I got to the ground I took another comrade and put him and another person on an ambulance -- one who was on crutches and the comrade who was pregnant.

[Passenger Felix Mena, identified by caption] They had a grenade in the front of the aircraft, a woman in the middle had a grenade, and he had a grenade in the middle [as heard]. Everything happened in approximately 25, 30, 40 minutes. The flight attendant's attitude was outstanding for being able to keep the passengers calm. I believe that most of the ones in the front of the plane were men, and we planned how to act when he came back to the cabin. We planned to embrace him and try to take the grenade from him. I was explaining to the comrades that if the grenade fell to the floor it could be deactivated, that we had time to grab it again. This is what happened. The comrade embraced him and I threw myself on top of him. We knocked him to the floor and this is when the first bomb exploded under his body.

[Passenger Ramon Junco, identified by caption] At that time I threw myself on top of him and grabbed his arms. He hit me -- I do not know how, but he hit me with a grenade he had in his hand -- on my forehead. He almost split my head open but it could have been worse. Shortly before this, this man tells the other one to throw the grenade he had in his hand. He actually threw it but it did not do as much damage as expected. Thanks to the help of the comrades and their cooperation, the action was successful.

Taking advantage of the confusion created by the explosion of the grenades, Arturo Suarez Ramos, one of the people involved in the plane hijacking, was able to escape. Suarez Ramos was detained 5 hours after the event by members of the State Security Department in the Jaimanitas neighborhood. As a result of the investigation, other individuals who were accomplices of the action were detained. They are detained together with Arturo Suarez Ramos and Rosalina Suarez Lafita at the State Security Department. They are being questioned and will be at the disposal of the proper courts.

Once more, our peoples' invariable principle is confirmed of not allowing and resolutely facing any blackmail attempt or forceful action by the enemies of the revolution at any price.

Report on Series of Events

FL121340 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Mar 87

[Announcer-read report over video showing interior and exterior of airplane; close-up shot shows hole in airplane]

[Text] The Interior Ministry has reported that the investigations on the thwarted attempt to hijack Cubana de Aviacion flight 706 have revealed that the act was carried out by Juan Carlos Jimenez, an antisocial element killed during the attempt; Rosalina Gonzalez, his mother; and Arturo Suarez Ramos.

Gonzalez carried the three hand grenades on board the airplane. Once on board, when the airplane was taxing to the runway, Carlos Jimenez and Suarez got out of their seats, brandishing the grenades, and ordered the crew to fly to Miami. Several passengers intervened to prevent the hijacking.

Demonstrating his criminal intentions, despite indications from the passengers that there were innocent children on board, Carlos Jimenez urged Suarez to detonate a grenade, which he did, but the grenade did not explode.

Gonzalez told Carlos Jimenez to throw the two grenades he had. He did so and the explosion injured 13 passengers, including a child. At that moment, the PNR [National Revolutionary Police] combatant used his firearm to kill Carlos Jimenez.

There was some confusion at the time of the explosion and the passengers and the injured began exiting the airplane by the main and emergency doors, thinking the plane might explode. During the confusion, Suarez escaped among the injured and went to several areas of the city, changing the clothes he was wearing. Five hours after the attempted hijacking, Suarez Ramos was detained in Jaimanitas by State Security Police members.

Also as a result of the investigation, others have been detained as accomplices. Along with Arturo Suarez Ramos and Rosalina Suarez Lafita, they are being detained at the State Security Department. They are being interrogated and will be brought before the appropriate tribunals.

Once again, it is evident that the Cuban people will not allow, at any price, any type of blackmail, intimidation, or use of force by enemies of the revolution.

More details will be given during this broadcast on the attempted hijacking, which occurred the evening of 10 March at the Jose Marti International Airport at Rancho Boyeros.

IRANGATE SHOWS 'DECOMPOSITION' IN EXECUTIVE BRANCH

PA121454 Havana International Service in Spanish 2300 GMT 10 Mar 87

[Commentary by Elena Nunez]

[Text] The scandal in the United States over the secret sale of weapons to Iran and the diversion of funds to the Nicaraguan counterrevolutionaries continues to claim victims, a U.S. official said when the resignation of John Koehler, director of communications of the White House, was announced.

Although the word victim is not the most adequate term, the truth is that as a result of Irangate, a gradual disintegration of the personnel close to Reagan has begun to take place. This situation has even spread to the new nominations. Such as the case of Robert Gates, the designated CIA director who did not even reach office after his evident participation in covert operations was proven.

Now it is John Koehler, who lasted in the White House only 1 week. Although the reasons for his resignation are not very clear, Koehler was accused by the press of having belonged in his youth to a Nazi organization in Hitler's Germany.

If we briefly recall the figures who have been forced to resign since the crisis emerged, we must mention the first two scapegoats: Presidential Security Adviser John Poindexter and his subordinate, Oliver North. The parade of resignations continued with the departures of Spokesman Larry Speakes; CIA chief William Casey; Communications Director Pat Buchanan; Richard Perle [as heard], assistant to Defense Secretary Caspar Weinberger; and Donald Regan, White House Chief of Staff.

As we can see, the list is long, especially if we bear in mind that these casualties have occurred in just 4 months. From the development of the events, everything seems to indicate that there will be more forced resignations. Precisely one of the aspects that has been brought to light by Irangate, in addition to all the dirty deals that characterize Washington's foreign policy, is the degree of decomposition of the executive branch. The high degree of decomposition is shown by the difficulties in finding replacements free of any guilt for the officials who have resigned.

ROA SAYS L.A. VOTE IN GENEVA SHOWS 'INDEPENDENCE'

PA121651 Havana International Service in Spanish 2300 GMT 11 Mar 87

[Text] Cuban Vice Foreign Minister Raul Roa Kouri has stated in Geneva that the majority vote of Latin America against an anti-Cuban proposal sponsored by the United States shows the increasing degree of political independence that the countries of the region have.

Argentina, Colombia, Mexico, Nicaragua, Peru, and Venezuela voted for a motion presented by India proposing to not submit to a vote the U.S. proposal on alleged human rights violations in Cuba.

The motion rejecting the U.S. proposal was approved by 19 votes for, 18, against and 6 abstentions, including Brazil's abstention. The UN Human Rights Commission is in Geneva, currently discussed the human rights issue. Costa Rica was the only Latin American country that sided with the United States in the new farce that Washington tried to promote. The media described the results of the voting as a great defeat for White House diplomacy.

For several months, U.S. Ambassador Vernon Walters had been making great efforts to convince the members of the commission to vote for the anti-Cuban document. Robert Wallace, the U.S. representative to the Human Rights Commission, had been involved in similar efforts.

The so-called UN Human Rights Commission approved another document, which called for shelving a resolution presented by Cuba and Nicaragua reporting violations to the rights of U.S. ethnic minorities.

BRAZIL'S SUSPENDING DEBT PAYMENTS SURVEYED

PA122211 Havana International Service in Spanish 2300 GMT 11 Mar 87

["Our America" commentary read by Manolo Ortega]

[Text] Brazil's courageous suspension, for an indefinite period of the payment of interest on its foreign debt, estimated at $100 billion, has caused concern among creditors, although the effects of this decision in the region are still moderate. The unilateral measure taken by the government of President Jose Sarney, however, has been gladly hailed by the largest Latin American debtors. The area countries' solidarity became evident immediately, although other countries still have not made up their minds to follow Brazil's example.

The creditors' greatest concern is the possibility that Mexico and Argentina -- two of the Latin American countries with the largest debts -- and other nations in the area could create a club, the members of which would share a common posture to deal with the financial metropolises' demands. In fact, many point to the creditors' lack of a good economic outlook as one of the key factors in the organization of a debtors' club, which would bring a crisis upon the capitalist banks.

Restrictive measures, brutal demands, lack of understanding, and boundless greed force the victims of this policy to unify; victims that have explored and exhausted ways to reach an understanding with the creditors. The figures are illustrative and relentless. During 1986 alone, Latin America earmarked more than 35 percent of its export sales revenue to pay for interest on its foreign debt, which amounts to about $400 billion. Every 12 months, in addition to the amortization payments on their principal, the region countries must pay about $40 billion interest. This is an unbearable outflow, considering the growing difficulties in placing products in markets blocked by unfair protectionist policies. Brazil's decision aims at this devilish structure and turns the debtor countries, once supplicant beggars, into worthy representatives of the interests of the people.

Latin America understands that the creditors' vaults cannot be filled at the expense of our nations' hunger. Consequently, Brazil has begun to act. In addition, to accept weakly the financial centers' dictates would bring about political and social instability, the consequences of which would be unpredictable. This truth is so great that conservative organizations, such as the Hans Zeitel Foundation of the FRG, have not hesitated to admit it. Reiner Geppert, one of the foundation's directors, recently told the press that if the serious economic crisis in Latin America is not solved, the days of democracy in the region are numbered.

These factors at present attach priority importance to Latin America's foreign debt problem and should make those who still insist on imposing their will against insurmountable realities ponder the situation. The path chosen by Brazil is equivalent to a bugle call for debtors and a warning for creditors, while there is stil time for just solutions.

COMMENTARY ON NONALIGNED SUMMIT MEETING DOCUMENT

PA122116 Havana International Service in Spanish 0000 GMT 12 Mar 87

[Text] The Coordinating Bureau of the Nonaligned Movement is holding a special ministers meeting in the capital of Guyana to prepare a document that pays special attention to the foreign debt and the Central American conflict.

It has been reported that the economic aspect of the negotiations for the final declaration being drafted by editing committee experts has advanced. There are still consultations on paragraphs that deal with political issues.

The Bureau is also working on a document that probably will be called the Georgetown appeal and action plan. This document will include a report on the Latin American and Caribbean situation as well as on the Central American conflict. In this document it is acknowledged that Nicaragua is the victim of a cruel, unjust, and unfair war imposed by the United States.

The Georgetown appeal will recommend the creation of a permanent special committee whose task would be to assist the president of the Nonaligned Movement on matters related to the Central American situation. It will propose that the document be sent to all international and regional organizations, in order to make it known.

At the special meeting of ministers, the representatives of Colombia and Bolivia recommended using common sense to secure lasting peace in the area through negotiations.

Bolivian Foreign Minister Guillermo Bedregal said that the Central American problem is not of an ideological nature but is one of respect for international law. The Bolivian minister stated support for Brazil's decision to indefinitely suspend payment on the interest of its foreign debt until there is a fair agreement with creditors.

U.S. 'PRESSURING' BOLIVIA TO STOP COCA CULTIVATION

PA121533 Havana International Service in Spanish 2300 GMT 10 Mar 87

[Commentary by Gloria Carmona]

[Text] Representatives of the most diverse Bolivian political forces have coincided in their criticism of the Bolivian-U.S. negotiations regarding the replacement of the cultivation of coca leaves.

The proposal has reemerged, even though at no time was it ever valid, especially after the U.S. Government sent a contingent of troops to Bolivia under the pretext of fighting drug traffic. As is known, even though the U.S. soldiers stayed in the South American country for months, the drug trafficking gangs did not abandon their field of activity, which also extends to other Latin American nations.

The pressures and rejection of all the Bolivian social and political sectors finally led to the departure of the U.S. troops. However, with similar sinister objectives, the Washington government is still exerting pressure on the Bolivian Government. Bolivian politicians are currently worried about the lack of an optional development program capable of replacing the cultivation of coca leaves. In this regard, Deputy Mario Rueda Pena of the Nationalist Revolutionary Movement of the Left has said that instead of the $300 million that Washington is offering for a 3-year antidrug plan, $5 billion is needed so that programs can be implemented to offer subsistence options to the current coca growers.

In reality, and setting aside the Bolivian criticism, it would be much more useful if, instead of promoting campaigns in countries so far from its territory, the United States were to undertake a real domestic struggle against the traffic and consumption of drugs of all types which it tolerates and promotes within its own nation. The real struggle against drug trafficking will begin when the U.S. drug traffickers are truly fought by the Ronald Reagan government.

CASTRO CONTINUES CAMAGUEY PROVINCE TOUR

FL122226 Havana Television Service in Spanish 0100 GMT 12 Mar 87

[Video report showing Castro visiting work centers in Camaguey province, chatting informally with workers, speaking at a factory]

[Excerpt] [passage omitted]

[Castro] Without any doubt the small town has many landscaped areas. That is very good. I believe it is going to be a pleasant community. Its living conditions are different from what we know about cities elsewhere.

I believe you will have a good nutrition program in this factory because you even have some 50 or 60 hectares... [interrupts himself] how many did you get?

[Unidentified speaker] Some 5 caballerias. Yes, 70 hectares over there.

[Castro] About 65 hectares. Someday the city will take it away from you. [words indistinct] [laughter]

[Speaker] No, but in the meantime we are going to make it produce.

[Castro] I recommend you plant root vegetables and other vegetables; that you plant a variety of vegetables. You are going to have to teach the workers to eat vegetables because many people do not eat vegetables any more. That is extremely important for health. Every day more information is discovered about this. Some vegetables contribute to cancer prevention.

[Speaker] Because of the fiber.

[Castro] By consuming vitamins, minerals, and fiber, I believe you can put together a good diet. It will not be hard, with the goodwill of all of you who work in this factory. You should have good nutrition. The only thing you will have to be warned about is not getting too fat. [laughter] Be careful with your diet so that when we come over here we do not find many large people. [laughter] There is something that has not been talked about and we will have to do so. There is no talk about sports activities, exercises. It is all right that we have a theater, video club, and a swimming pool. Well, that is something. But I believe you are going to have to see how you can build a gymnasium. It will not take too much to have a gymnasium.

[Speaker] I did not get to explain to you.

[Castro] Also some track and field facilities so that you not only have swimming but track and field facilities. Over there we have some scientists working at a very modern research center -- which has become a model for the country -- and people work for many hours. They work 14, 15 hours and I have suggested they use one of those hours to exercise. Facilities are being built -- they are going to go crazy with many formulas and scientific research -- so that they can exercise regularily. I believe not only that we should provide youth with a balanced, good, and varied diet -- you were talking about diets and lunch rooms -- but that workers should exercise. That is going to have an effect in your productivity. Good nutrition, health, exercise is going to contribute. I hope you never have to go to the polyclinic, the small clinic you have there. I hope you have good health.

We have to try to make this factory a model one, but not the kind of model place they call vanguard, that wins 10 medals, or 3 banners. From the beginning you have to make it your purpose to turn this factory into a socialist production model. It is not only a matter of quantity, of making so many parts, of saying you are going to pay more for a certain number of parts, but quality is very important. You cannot be happy with anything less than the idea of turning this factory into the best factory of the country. I am sure you can achieve it. Anyone who comes and sees the comrades working is practically convinced that this is going to be one of the best factories in the country. I say one of the best, but you should struggle to be the best factory in the country and not only the best one in the country but this factory should be a model and an example of what a revolutionary industry and a socialist industry should be. This is what we expect from you and we are certain... [applause fades voice]

Itinerary Reported

FL121943 Havana Radio Reloj Network in Spanish 1800 GMT 12 Mar 87

[Report by Manuel Cano Iglesias from Camaguey]

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee and president of the Councils of State and Ministers, has toured various areas of social and economic interest in Camaguey Province.

He visited the Las Pampas sheep breeding plant in Minas Municipality and the installations of the 10 October thermoelectric plant in Nuevitas. Before leaving the thermoelectric plant, the commander in chief engaged in a lively chat with the workers and with the Czechoslovak specialists who work there.

He also toured the Nuevitas port installations, where he showed interest in the progress of the port expansion projects. He exchanged views with the workers who are building the base to receive ammonia by sea. There he discussed investment costs, the project's potential, the time it will take to complete it, and how the project will be used for production.

He chatted with workers at the new home for the elderly, and toured the streets of the Ignacio Agramonte microdistrict, from where he went to the modern (Martin Champuga) Hospital. With this he ended his visit to the industrial city.

Castro also visited the plant to process fruit and vegetable preserves in Camalote, [words indistinct] municipality, where he showed interest in the progress of its production efforts, based on harvests by area peasants. He asked questions on the crops grown there, which are chosen for the terrain and the vegetable-growing experience the communities in that section of Camaguey possess.

ANTIQUA AND BARBUDA

TRADE MINISTER CRITICIZES U.S. AID POLICY

FL122130 Bridgetown CANA in English 2222 GMT 11 Mar 87

[Text] St Johns, Antigua, March 11, CANA -- Antigua and Barbuda's trade minister, Hugh Marshall, has criticised the lending policies of the United States Agency for International Development (USAID).

In his contribution to debate on the 1987 budget, Marshall accused USAID of granting conditional loans which sometimes suggest "that they want to run the economies of Caribbean countries from Washington."

"They are not prepared to grant you with the intelligence and with the prudent management which you possess to manage the economy in such a way to bring it to this level," Marshall said.

"They hump 78 million dollars into Grenada and the prime minister in the last OECS [Organisation of Eastern Caribbean States) heads of government conference in Antigua was crying because it had not seen it down to the man in the street, and it has not brought about the economic turn around that they say it would bring about," Marshall added.

"Now they come to Antigua and say we are overheating the economy," he continued.

Marshall also criticised the agency's handling of the Miami Trade Fair -- an annual trade and investment exposition -- and charged that the British Government in particular was using the opportunity to regain the Caribbean market.

He said efforts are now being made by Caribbean manufacturers to mount their own trade and investment exposition in the region as a substitute to the Miami fair.

"We want the investors from Europe who are having difficulties accessing the U.S. market because of the trade barriers placed upon European goods to come here to manufacture their goods to get it into the U.S. market under the CBI (Caribbean Basin Initiative)," Marshall said, "That's the only way its going to work," he added.

Marshall said the first Caribbean exposition was scheduled for March 1988 in Antigua.

NONALIGNED COORDINATING BUREAU BEGINS SESSION

FL1101624 Mexico City NOTIMEX in Spanish 1335 GMT 10 Mar 87

[Excerpt] Georgetown, 10 Mar (NOTIMEX) -- Peru and Nicaragua have been elected representatives to the Nonaligned Movement Coordinating Bureau, which will begin a meeting today to review Latin American problems.

The Nicaraguan and Peruvian ministers will share with North Korea, India, Congo, the PLO, Tanzania, Zambia, Mauritania, Malta, and the South-West African People's organization (SWAPO) the vice presidencies of the committee headed by Guyanese Foreign Minister Rashleigh Jackson.

Official Guyanese sources said that as host country, Guyana will present a discussion plan that will call for multilateral actions in economic affairs and in the political problems the region is experiencing.

They pointed out that this posture appears to be more moderate than that discussed in January 1983 during the first session of Latin America that the Nonaligned Movement held in Managua, where the secret U.S. war against Nicaragua was widely discussed.

In this context, Peruvian Foreign Minister Allan Wagner says his country expects the sessions beginning today to reaffirm the value of a solution through dialogue without intervention by foreign forces.

Wagner said the perspectives on the Central American presidents meeting to take place in Esquipulas, Guatemala, on 15 March should also be discussed. [passage omitted]

Central America Debated

FL1121600 Mexico City NOTIMEX in Spanish 0432 GMT 12 Mar 87

[Excerpts] Georgetown, 11 Mar (NOTIMEX) -- During the second day of discussions at the special ministerial meeting of the Nonaligned Movement, the Latin American nations were attempting to obtain a condemnation against U.S. policy in Central America and to set forth joint resolutions on the foreign debt problem the region is experiencing.

Guyana representative Cedric Grant, who is the conference spokesman, said Central America has proven to be the most burning issue at the meeting. He said the representatives of 75 of the 101 countries that make up the Nonaligned Movement are discussing the content and format of a joint declaration on this topic.

Meanwhile, Guyanese president Desmond Hoyte, without making specific mention of the United States, reaffirmed the urgent need to eliminate danger in Central America and manipulation of the region's countries. Hoyte stressed that the threats to regional security are real and great, particularly against Nicaragua.

Meanwhile, Cuban Foreign Minister Isidoro Malmierca said the Nonaligned Movement should demand that the Reagan administration stop its policy of military and economic aggression in the region.

In his address to the ministerial assembly, he said the Nonaligned Movement should also protest the growing militarization of the Caribbean through the reinforcement of its military bases and the increasing number of provoking maneuvers. [passage omitted]

In turn, Colombian representative Hector Charry Samper said: We must act with moderation and wisely to achieve our goal, which is not simply to prevent a Central American conflict but to build peace in the region.

Charry Samper explained that all of the Central American countries are entitled to reach stability and development through the methods they choose. He reaffirmed his country's position of willingness in connection with the peace efforts of the Contadora Group, of which it is member along with Mexico, Panama, and Venezuela.

Meanwhile, Bolivian Foreign Minister Guillermo Bedregal Gutierrez voiced agreement with his Colombian counterpart's statement, while asking the assembly to support the efforts to reach a solution through dialogue, as the Contadora Group is attempting to do.

The meeting will end tomorrow with the issuance of a final document called the Georgetown Declaration. This will come after discussions on various other matters, including a peace program for Central America and a manifesto advocating negotiations between creditor and debtor countries to resolve the foreign debt problem.

Meanwhile, today a communique by the Guatemalan URNG was delivered to the assembly. It says the problems the Guatemalan people are facing and those confronted by President Vinicio Cerezo's foreign policy can be resolved if a dialogue with the country's opposition begins.

According to the URNG leader, the document will be proposed for discussion by the various delegations participating in the Georgetown meeting.

'Anti-U.S. Tone' Criticized

FL121741 Bridgetown CANA in English 1254 GMT 12 Mar 87

[Text] Georgetown, Guyana, March 12, CANA-REUTER -- Moderate members of the Nonaligned Movement at a meeting here have criticised what they called the anti-U.S. tone of a draft statement on Central America the group hopes to complete by today. Conference sources said the proposed statement now circulating contains particularly harsh attacks on the United States for what it calls interference in Nicaragua.

Reading the communique, one gets the impression that the expression imperialism is synonymous with the United States, said Trinidad and Tobago Foreign Minister Basdeo Panday.

Do we really believe that by deploring the attitude of the Honduran Government we shall cause them to cease collaboration with the United States in military maneuvers on the Nicaragua border? Panday asked.

The conference, which is attended by foreign ministers and other senior officials from 75 of the Nonaligned Movement's 101 member countries, has concentrated on the Central American conflict. Radical members, including Cuba, have already called for a document which would include strong condemnation of U.S. policy in the region.

Panday of Trinidad and Tobago said the movement should call on the combatants in the Central American conflict to accept the presence of a United Nations or Latin American peacekeeping force while peace negotiations continue. He also suggested the group devise a plan to get the United States and Cuba to negotiate the future of the U.S. naval base at Guantanamo, in Cuba.

Some delegates said privately that the more moderate view appeared to be winning out over the stance taken in the draft document being circulated by host country Guyana.

The conference is scheduled to end today.

Iranian Minister Assails U.S.

LD121840 Tehran IRNA in English 1645 GMT 12 Mar 87

[Text] Tehran, March 12, IRNA -- Iranian Acting Foreign Minister 'Ali Mohammad Besharati Thursday called for the Non-Aligned Movement (NAM) to actively counter U.S. influence in Central America.

Announcing this in the NAM Coordination Bureau session being held in Georgetown, Guyana, Besharati reiterated Iran's backing of revolutionaries, especially the Government of Nicaragua and termed the U.S. intervention in Central America as a stumbling block for peace in this region.

The Iranian official referring to the indiscriminate Iraqi attacks on hospitals, schools, cultural monuments and religious sites in over forty Iranian cities, said "We will completely root out aggression."

The NAM Coordination Bureau meet, started last Tuesday in the capital of Guyana.

Meanwhile, Besharati also met with Guyana's Prime Minister and First Vice-President Hamilton Green in Georgetown, on Thursday. At the meeting, the Iranian Foreign Ministry official pointing to imposition of war on the Islamic Republic by U.S. imperialism said that the Iranian people are determined to continue their holy defence, with firm trust in Allah, till they achieve final victory.

Besharati at the head of a delegation arrived in Georgetown last Sunday for the NAM meet.

Ethiopian Addresses Meeting

EA122040 Addis Ababa in Amharic to Neighboring Countries 1600 GMT 12 Mar 87

[Text] Revolutionary Ethiopia has said those concerned in solving the problems faced by Latin American and Caribbean countries should adhere to the principles and obligations of the Nonaligned Movement and the UN Charter. This was stated by Comrade Berhanu Bayeh, WPE Central Committee Political Bureau member and foreign minister, in his address at the Nonaligned Movement Coordinating Bureau ministerial meeting, which opened in Guyana on Tuesday. The meeting will examine Latin American and Caribbean issues.

In a speech at the meeting, attended by about 80 delegations, Comrade Berhanu pointed out there are three major issues the Nonaligned Movement should take a strong stand on. One of these is the serious problems of countries geographically linked with the United States. He noted that by attacking and capturing Grenada, a nonaligned country, the United States has shown it has the right to decide the fate of the region's peoples and it is presently trying to impose its wishes on the Central American people.

Comrade Berhanu went on to describe the aggressions and destabilization against the Nicaraguan people, and noted that its people and government have from the start shown their determination to face any ploy and aggression and have made clear their stand for peace. However, this peace policy has not been reciprocated by neighboring countries, especially the United States, and this is very harmful.

Ethiopia Backs Iran on War

LD122144 Tehran IRNA in English 1843 GMT 12 Mar 87

[Text] Tehran, March 12 IRNA -- The Islamic Republic is justified in taking measures against the Iraqi regime because it was Iraq which initiated the war, said the Ethiopian foreign minister. He also pledged Ethiopia's support for Iran in international circles.

The Ethiopian foreign minister made the remarks Wednesday in a meeting with Iran's Acting Foreign Minister 'Ali Mohammad Besharati in Guyana's capital, Georgtown, where the Non-Aligned Movement Coordination Bureau session is in progress. The Ethiopian official said that the Iraqi Ba'thist regime launched its aggression because of the post-revolutionary turmoil in Iran, but was eventually driven out. "Iranian troops practically hold the upper hand at the war fronts," he added. He also thanked the Islamic Republic for sending aid for famine-stricken people in Ethiopia and announced his country's readiness to expand relations with Iran.

In response, Besharati outlined Iran's viewpoints on the Iraqi-imposed war and said that both Iran and Ethiopia have faced similar post-revolutionary difficulties. "You are fighting Somalia's Siad Barre while we are battling Iraq's Saddam (Husayn)," he said. "Saddam intended to occupy Iran's oil-rich province of Khuzestan and Said Barre wanted to seize the Ogaden Desert," Besharati said.

Meanwhile, in a separate meeting Besharati held talks with the Bangladesh foreign minister on expansion of Tehran-Dhaka relations Wednesday.

Cypriot Praises Solidarity

NC121816 Nicosia Domestic Service in Greek 1730 GMT 12 Mar 87

[Text] Foreign Minister Yeoryios Iakovou has stressed that the Nonaligned Movement's solidarity has been a shield protecting Cyprus' independence against those who attempted to destroy it.

Addressing the special ministerial meeting of the Nonaligned Movement Coordination Bureau in Guyana today, Iakovou said the continuing occupation, the transfer of 60,000 Turkish settlers, and Turkish demands for the right to intervene in Cyprus' domestic affairs constitute serious provocations against the international community and reflect misguided thinking based on the aggressor's premise that might makes right.

The foreign minister said the Cyprus issue cannot be solved without the implementation of basic prerequisites and stressed that we will continue to struggle for peaceful settlement and to support the UN secretary general's good offices mission. Iakovou also expressed the Cypriot Government's full support for the Soviet proposal for an international conference on the Cyprus issue, calling on the Nonaligned Movement as well as those countries opposing such a conference, to support its convocation.

DIPLOMATIC RELATIONS ESTABLISHED WITH BOLIVIA

PA122317 Madrid EFE in Spanish 2044 GMT 12 Mar 87

[Text] Georgetown, 12 Mar (EFE) -- It has officially been reported in Georgetown that Bolivia and Guyana established diplomatic and consular relations today for close cooperation and friendship ties.

In a joint communique, Bolivian and Guyanese Foreign Affairs Ministers Guillermo Bedregal and Rashleigh-Jackson said this decision "will contribute toward the commercial, economic, and cultural development" of the two countries.

They added that the measure is consistent with a common interest to "strengthen peace and international cooperation and foster the principles of international law in relations between states."

The two ministers are currently attending in this city a special ministers' meeting of the Nonaligned Movement Coordination Bureau on Latin America and the Caribbean. The meeting began Tuesday and is scheduled to end today.

ASSEMBLY APPROVES FRAMEWORK FOR CONSTITUTION

FL122002 Paramaribo International Service in English 1730 GMT 12 Mar 87

[Text] Last night, the national assembly unanimously adopted the framework for a draft constitution. This concerns the second part in which the basic principles referring to the organization and functioning of the state organs are embedded.

Government leader Bouterse, who attended the historic meeting of the assembly, lauded the assembly for the results. He added that appreciation for this work will become evident in history.

[Words indistinct] faction in the national assembly expressed disapproval over the inclusion of two articles in the draft political framework, which was debated yesterday. [Words indistinct], among others, were of the opinion that the article, which says that the structures for the peoples' militia catering for its direct participation and the defense of the country and the leadership of the national army, should become common law. Efforts by other assembly members failed to get the [words indistinct] members to change their position. The concept was, however, unanimously adopted.

Editorial Commission Approved

FL121922 Paramaribo International Service in English 1730 GMT 12 Mar 87

[Text] Yesterday, Prime Minister Jules Wijdenbosch installed an editorial commission, which is charged with the responsibility of formulating the constitution. The commission is headed by Mr (Eddy Bruma) and its work will be based on what has been laid down in the national assembly in a political framework. The editorial work must be completed by the end of this month.

Chairman (Bruma) promised to formulate a draft which will withstand the test of critiques, both nationally and internationally. He added that since it concerns the promised constitution, it must have a function, and mustn't be just another constitution. According to (Bruma), the new Suriname constitution can be a solution to many national affairs.

HEIDWEILLER MEETS WITH NETHERLANDS FOREIGN MINISTER

For reportage on the 11 March meeting between Henk Heidweiller, chief political adviser to Colonel Desi Bouterse and Suriname's ambassador to the Netherlands, and Netherlands Foreign Minister Hans van den Broek, in which they discussed bilateral relations, see the BENELUX section of the 13 March Western Europe DAILY REPORT.